DOCUMENT RESUME

ED 384 708 CE 068 849

TITLE	Individualized Cooperative Education (Second Year). Teacher Edition.
INSTITUTION	Oklahoma State Dept. of Vocational and Technical Education, Stillwater. Curriculum and Instructional Materials Center.
PUB DATE	92
NOTE	636p.; For the first-year curriculum, see ED 316 740.
AVAILABLE FROM	Curriculum and Instructional Materials Center, Oklahoma Dept. of Vocational and Technical Education, 1500 West Seventh Avenue, Stillwater, OK 74074-4364 (order No. TA1021: $125).
PUB TYPE	Guides - Classroom Use - Teaching Guides (For Teacher) (052)
EDRS PRICE	MF03 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Banking; Basic Skills; Behavioral Objectives; Classroom Techniques; *Competency Based Education; Consumer Economics; *Consumer Education; Consumer Protection; *Cooperative Education; Credit (Finance); *Daily Living Skills; *Individualized Instruction; Insurance; Law Related Education; Learning Activities; Lesson Plans; Mathematics Skills; Secondary Education; Stress Management; Supervisory Methods; Tests; Unions; *Vocational Education; Work Ethic

ABSTRACT

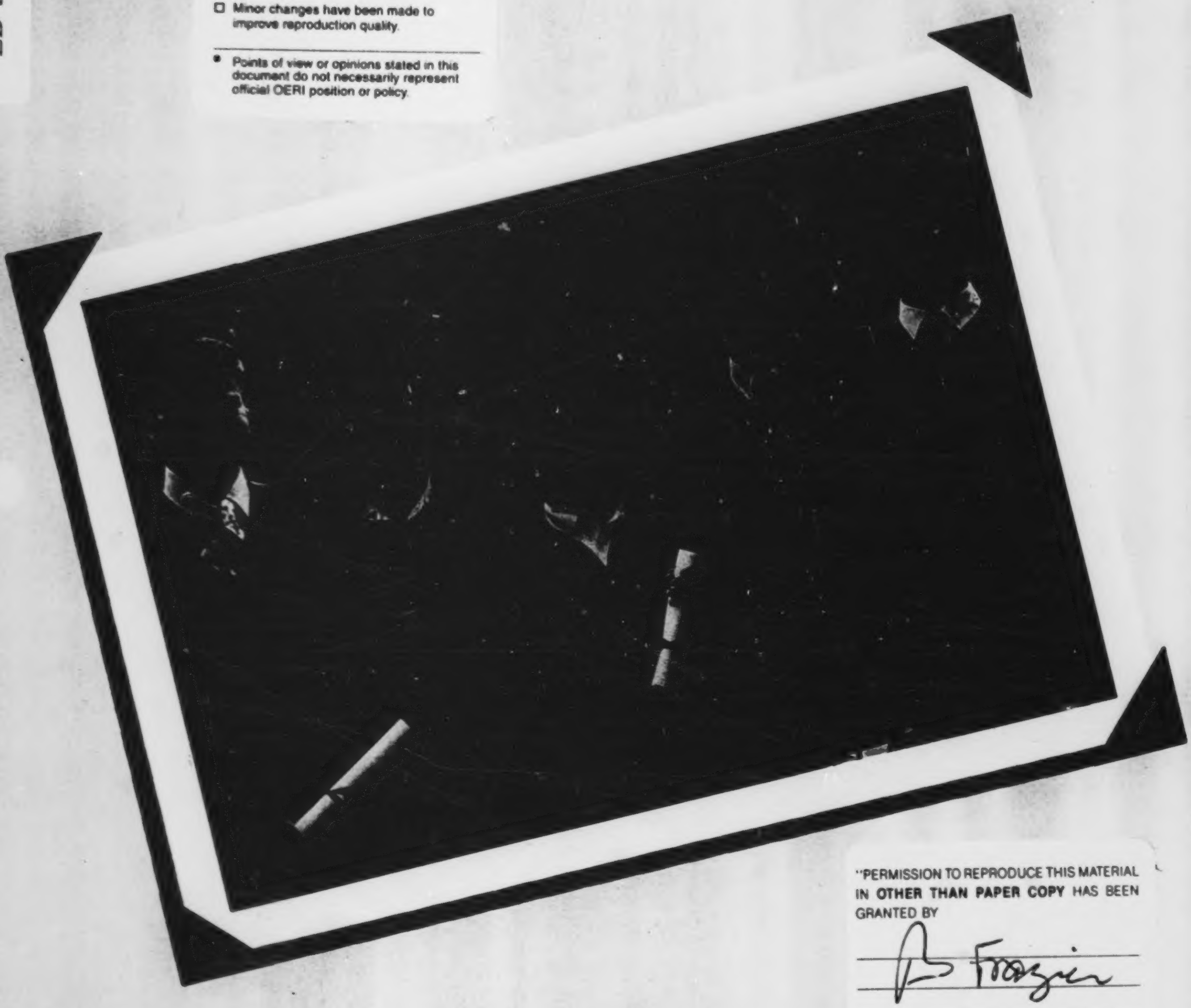
This instructor's guide is designed to direct and support instruction for advanced business and office, home economics, and agriculture and marketing education students across Oklahoma who are in their second year of individualized cooperative education programs. The following topics are covered in the 12 competency-based instructional units included in the curriculum: learning work ethics; calculating basic math; applying legal awareness and economic knowledge; applying basic principles of banking; applying basic principles of credit; securing automobile and property insurance; evaluating life, health, and social insurance; identifying consumer protection issues; joining labor unions; managing stress; recognizing supervisory skills; and recognizing management skills. Each unit contains some or all of the following: performance objectives, suggested activities for instructors, information sheets, optional supplemental instructional materials, transparency masters, activity sheets, assignment sheets/student handouts, written tests, and assignment sheet and test answers. Academic skills training is combined with vocational training throughout the instructional materials, and a system of icons has been used to help instructors identify activities into which training in the following basic skill areas has been infused into the curriculum: reading, science, creative thinking/problem solving, writing, oral communication, employability, math, interpersonal skills, and social studies. (MN)

ED 384 708

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Individualized Cooperative Education

Second Year



"PERMISSION TO REPRODUCE THIS MATERIAL IN OTHER THAN PAPER COPY HAS BEEN GRANTED BY
B Frazier
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CE 068 847

BEST COPY AVAILABLE

CIMC

Teacher Edition

Oklahoma Department of
Vocational and Technical Education
1500 West Seventh Avenue
Stillwater, OK 74074-4364

92-008796

TA1021

Individualized Cooperative Education
(Second Year)

Developed by the
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and Technical Education

92-008796

TA1021

Copyright 1992

Oklahoma Department of Vocational and Technical Education
Curriculum and Instructional Materials Center

All rights reserved

Printed in the United States of America by the
Oklahoma Department of Vocational and Technical Education
Stillwater, Oklahoma 74074-4364

This publication, or parts thereof, may not be reproduced in any form by photographic, electrostatic, mechanical, or other methods, for any use including information storage and retrieval, without written permission from the publisher.

The Oklahoma Department of Vocational and Technical Education does not discriminate on the basis of race, creed, color, national origin, sex, age, veteran status, or qualified handicap.

TABLE OF CONTENTS

Unit I . . . . Learning Work Ethics
Unit II . . . . Calculating Basic Math
Unit III . . . . Applying Legal Awareness and Economic Knowledge
Unit IV . . . . Applying Basic Principles of Banking
Unit V . . . . Applying Basic Principles of Credit
Unit VI . . . . Securing Automobile and Property Insurance
Unit VII . . . . Evaluating Life, Health and Social Insurance
Unit VIII . . . . Identifying Consumer Protection Issues
Unit IX . . . . Joining Labor Unions
Unit X . . . . Managing Stress
Unit XI . . . . Recognizing Supervisory Skills
Unit XII . . . . Recognizing Management Skills

FORWARD

This publication is designed to direct and support instruction for advanced second year students in individualized cooperative programs across the State of Oklahoma. It is the second in a series of two books. The competencies contained in these units of instruction have been developed by a committee of teachers and industry representatives. The diversity of vocational objectives that students may chose to study creates a unique requirement on the teacher and curriculum. I believe this publication will meet the needs of both teacher and student.

The teacher will have to provide additional supplemental instructional material for the specific technical information in the occupational area selected by each student. This curriculum material is designed to be used as teacher directed, group instruction, but the units can be adapted to individualized instruction with relative ease.

Appreciation is expressed to the many individuals who contributed their valuable time and expertise in the development of this important publication. Teachers will be more effective with the proper use of this material.

Ivan Armstrong
State Supervisor
Trade and Industrial Education
Oklahoma Department of Vocational and Technical Education

PREFACE

The Oklahoma Department of Vocational and Technical Education recognized years ago the need to provide quality competency-based instructional materials for vocational education. The Curriculum and Instructional Materials Center was established to provide the necessary educational tools for instructors and students in Oklahoma, the United States and around the world. As a result of efforts by the early pioneers at CIMC, Oklahoma has received national recognition for curriculum development, and we take pride in publishing quality materials for instructors and students.

Individualized Cooperative Education (ICE) is a cooperative program helping students to explore the world of work by learning about the work environment through participation in class and on the job training. *Individualized Cooperative Education* Second Year is for students enrolled in ICE for a second year, usually the senior year. The Second Year ICE curriculum includes units on Work Ethics, Basic Math, Insurance, Managing Stress and Credit and other units related to job and life experiences.

This publication is the second part of a two part series that is suitable for other cooperative programs: Business and Office, Home Economics, Agriculture and Marketing Education. ICE Second Year will also be used to supplement existing curriculum in other areas. ICE Second Year is designed to be used for either group or individualized instruction. This publication has more acceptable and relevant material that is helpful to the instructor and the student.

The Industry Representatives who served on the Curriculum Advisory Committee helped keep the curriculum abreast of today's market trends, and they are to be commended for the dedication and input made to this project. Appreciation is expressed to the many individuals who helped in the development of this publication. It is believed that teaching can be more effective with quality instructional materials.

Marilyn Kay Troupe
Curriculum Specialist
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and Technical Education

ACKNOWLEDGEMENTS

The Curriculum and Instructional Materials Center would like to extend appreciation to those individuals who played important roles in the development of the *Individualized Cooperative Education* Second Year curriculum. A number of people contributed to this project to insure a quality product that would help instructors prepare students for future employment. We are thankful for the support received from everyone involved with the ICE curriculum.

Without the Industry Advisory Committee members, CIMC would not be able to produce curriculum of the caliber shown in the ICE curriculum. We appreciate the guidance given during the development of this project. Thank you for supporting vocational education in Oklahoma. The committee members included

Joyce Chapman
Counselor
Tulsa Public School
Tulsa, OK

Jean Collins
Administrative Assistant
Joe Esco Tire
Oklahoma City, OK

Mark D. Kiyl
Administrative Assistant - Legal
Oklahoma Department of Labor

Sidney Reding
Stillwater National Bank
Stillwater, OK

Jim Owens
Manager
Stillwater Oyster Bay Restaurant
Stillwater, OK

Mary Jane Heid
Program Review Specialist
Guaranteed Student Loan Program
Oklahoma State Regents for Higher
Education, Oklahoma City, OK

Mildred Nash
Tulsa Job Corps
Tulsa, OK

Dr. Lois Sharpton
Affirmative Action Office
Oklahoma State University
Stillwater, OK

A thank-you goes to the ICE instructors who served on the Advisory Committee for their dedication and assistance. They were

Jerry Holt
Hobart High School
Hobart, OK

Robert Killebrew
Altus High School
Altus, OK

Appreciation is extended to the writers who also served on the Advisory Committee. They shared valuable knowledge and years of experience as ICE instructors in the development of their respective units. They were

Charlotte Ford
Tulsa AVTS
Peoria Campus

Patricia Hamilton
El Reno High School
El Reno, OK

Cynthia Ward
Owasso High School
Owasso, OK

Bonnie Worley
Talihina, OK

Ann Johnston served as editor for the project. Ann assisted with pre-validation rewriting and post-validation editing. She has been a dedicated researcher and a talented editor who takes pride in producing quality work. Thank-you Ann Johnston.

Claire Dickey was the technical writer for the ICE project. It was one of the first projects Claire received as a new technical writer at CIMC. Claire has a Master of Science degree in Curriculum and Instructional Education and is a talented writer, editor and researcher with an eye for layout design. Special recognition and gratitude is extended to Claire for assisting in pulling this project together.

Thank-you goes to the Oklahoma Department of Vocational and Technical Education administrators and staff who gave valuable support to make this project possible. They were

Dr. Roy Peters
State Director

Dr. Charles O. Hopkins
Assistant State Director

Ivan Armstrong
State Supervisor
Trade and Industrial Education

Marsha Daves
District Supervisor
Trade and Industrial Education

Cheryl Liles
Benefits Specialist

Oklahoma teachers expect quality curriculum materials and thanks to the leadership and staff at CIMC teachers have not been disappointed. Thank-you goes to

Dr. Brenda Stacy
CIMC Coordinator

Dr. Lynna Ausburn
Development Coordinator

Billie Frazier
Copy Specialist

Claire Dickey
Technical Writer

Others at the Oklahoma Department of Vocational and Technical Education who were involved in the development and production of this project deserve special recognition and thanks. Thank-you goes to Rose Primeaux, who is supervisor of the Word Processing Center, and her staff. They were responsible for countless hours of printing and corrections necessary to insure excellence in production.

Bob Davis and the entire staff of the Art Department perform magic every day when their creative talent gives birth to ideas of the mind. Thank-you Art Department.

Thank-you goes to Velta Mayfield, Quick Copy Clerk in Graphics. Noel Wilcoxson, Plant Manager, Duane Foster, Production Manager, and Diane Ensign, Prepress Supervisor, and the Printshop staff are appreciated for their dedication, cooperation and understanding.

Marilyn Kay Troupe
Curriculum Development Specialist

USE OF THIS PUBLICATION

INSTRUCTIONAL UNITS

Individualized Cooperative Education contains twelve units. Each instructional unit includes basic components that form a unit of instruction: performance objectives, suggested activities for the teacher, pretest, handouts, information sheets, student supplements, transparency masters, activities sheets, assignment sheets, and written test. Pretests, and written tests are included in the instructor edition only. They may be duplicated for classroom use or additional copies may be purchased by calling 1-800-654-4502, in Oklahoma 1-800-522-5810.

All of the unit components "zero in" on measurable and observable learning outcomes. Instructors are encouraged to supplement, personalize, localize, and motivate with these materials in order to develop a complete teaching/learning process.

Units of instruction are designed for use in more than one lesson or class period of instruction. By carefully studying each unit of instruction, the instructor will be able to plan presentations and demonstrations to meet the needs of the clients as well as determine the following:

- Amount of material to cover in a single class period
- Skills that must be demonstrated
    - Supplies and equipment needed
    - Amount of class time required for demonstrations
    - Amount of time required for client practice
- Supplementary materials to order, such as pamphlets, videos, or software
- Resource people to contact

Objective Sheets (White Pages)

Each unit of instruction is based on the knowledge and skills needed for successful employment in an occupational area. Performance objectives are stated in two forms: unit objectives, stating the subject matter to be covered in a unit of instruction, and specific objectives, stating the performance necessary to reach the unit objective.

The unit objective states the overall goal of the unit. It tells what the student should be able to do and what standard will be used to see whether the student can do it. Specific objectives outline the teaching sequence of the competencies required to meet the unit objective.

The objectives should be provided for students and stressed throughout the teaching/learning process. This will help answer any questions concerning performance requirements for each instructional unit. The objectives can also help determine teaching strategies and instructional methods. Instructors should prepare for each unit by deciding how each objective can best be taught.

Instructors should feel free to modify, delete, or add objectives in order to meet the needs of the students and community. When objectives are added, the instructor should remember to supply the needed information, assignment and/or job sheets, and criterion test items.

Suggested Activities (Pink Pages) — **Instructor's Edition Only**

This component is included only in the instructor material. The suggested activities pages assist instructors during the preparation stage of the teaching/learning process by providing suggestions for delivery, application, and evaluation during the instructional process. Teaching suggestions are included for each objective. The instructor should read the suggested activities before teaching the units to allow time to obtain supplemental materials, prepare audiovisual materials, and contact outside resources. Duties of the instructor will vary according to the particular unit.

References used in the development of each unit are listed in the "Suggested Resources" section, along with print and non-print media that may be used to teach the unit. These materials can be used by the instructor to supplement his or her knowledge of the subject area or to help students with particular interests or occupational objectives in the area covered.

Pretest Answers (Pink Pages) — **Instructor's Edition Only**

The answers to the pretest are given in this component only to the teacher.

Handouts (White Pages) — **Instructor's Edition Only**

Handouts are only in the instructor's book. They are supplemental material that is not testable or graded and nice-to-know. The instructor decides if they will be included in the unit. Handouts provide the instructor with additional activities, fact sheets, art, controversial items, and extra practice sheets. They may also include items for the gifted or remedial student.

Pretest (Yellow pages) **Instructor's Edition Only**

This component provides a pre-assessment of the knowledge that a student possesses prior to instruction. In individualized instruction, a student may challenge out of studying some or all of the cognitive objectives. In a group instructional setting, instructors may evaluate the knowledge that a group of students brings with them and determine where instruction should be emphasized.

Information Sheets (Green pages)

The information sheet provides "must know" content essential for meeting the cognitive objectives on the knowledge and comprehension level of Bloom's taxonomy of educational objectives. The information sheet serves as an excellent guide for presenting background knowledge necessary to develop the skills specified in the unit objective. It also may be used for coordination activities and advisory committees.

Students should read the information sheets before the information is discussed in class. Space is provided in margins for students and instructors to add notes that supplement, localize, personalize, or provide motivation for each unit.

The information sheets may include notes, cautions, or warnings. These should be discussed carefully and thoroughly. Notes are short verbal additions to the information that provide nice-to-know and decision-making information. A note may tell the student what to look for or consider at a given step or may explain when a step may not be applicable. Notes offer guidance that may help the student understand the process and do it more efficiently. Cautions are advisories that tell the student how to avoid causing minor personal injury or equipment damage. Warnings are advisories that tell the student how to avoid serious personal injury or death to the student, persons in the workplace, or users of the project or the procedure.

Supplements (Green pages)

Supplements are in the teacher and student material. Supplements include instructions that could be used for solving a problem or reinforcing the enrichment or learning. The information presented in a supplement may consist of tables, charts, written information, forms, or other information students will need in order to complete one or more of the assignment or job sheets. While supplements are not tested over directly, they may be used to assist in arriving at solutions using cognitive knowledge and higher-order thinking skills. They provide additional information for understanding the topic but may not have direct application to specific objectives.

Transparency Masters (White Pages)

Transparency masters provide information in a special way. The students may see as well as hear the material being presented, thus reinforcing the learning process. Transparencies may present new information or they may reinforce information presented in the information or assignment sheets.

Transparencies should be made and placed in the notebook where they will be immediately available for use. Transparencies direct the class's attention to the topic of discussion. They should be left on the screen only when topics shown are under discussion.

Activity Sheets (Tan Pages)

The purpose of activity sheets is to provide activities not directly in support of any one objective but which support several objectives or seek to influence the student's beliefs, attitudes, or appreciation of the study area.

Activity sheets vary greatly in their number and design from unit to unit. Some deal with the student's attitudes and beliefs. These may ask rather personal questions and are not intended for review by anyone other than the student. Some activity sheets require the student to make written or oral reports. Other activity sheets may require the student to monitor his or her beliefs or other variables over a period of time and may have application in more than one unit. Answer sheets may or may not be included.

Assignment Sheets (Tan pages)

Assignment sheets provide students with information and exercises or problems that address learning levels at or above the application level of Bloom's taxonomy. Assignment sheets provide written exercises for instruction and practice of a specific objective. The introduction to the assignment sheet explains how the assignment sheet relates to the subject area and unit objectives and may provide instructional information or refer students to another component for such information.

Assignment sheets are intended to provide students with practice in exercising higher-order thinking skills. Often, assignment sheets will contain case studies or story problems or other situations in which the student must analyze the circumstances and determine correct responses. Assignment sheets may be given to the students for completion in class or for homework. Answer sheets are provided.

Written Tests (Yellow pages) **Instructor's Edition Only**

This component provides criterion-referenced evaluation of every objective listed in the unit of instruction. It is crucial to note that both paper-pencil and performance objectives must be evaluated. If objectives have been added, deleted, or modified, appropriate changes should be made on the test.

The tests may be written or oral. It is recommended that the tests be divided into shorter tests covering three or four objectives at a time and given soon after those objectives have been covered.

The acceptable response on a unit test, eight-five (85) percent in most units, may be raised or lowered to fit the topic or students' ability levels. The percentage applies to the overall score, not to each individual question. The final unit grade should be obtained by using the "paper-pencil" score along with teacher evaluations of student demonstrations of the desired skills.

Answers to Assignment Sheets and Written Tests (Pink pages)

These components are designed to assist the instructor in evaluation of student performance.

PAGE NUMBERING

Each publication for the Curriculum and Instructional Materials Center is assigned a specific abbreviation. *Individualized Cooperative Education* has been abbreviated **ICE.** Each unit will be recognized by the unit number in roman numerals. Each unit in the publication begins with page 1. Each page number gives the component name, abbreviation of the book, unit number, and page number within the unit. Since CIMC publications are loose-leaf, this system of page numbering was recently adopted so that pages from different manuals would not get mixed up. The page number for the objective sheets in *Managing Stress*, which is unit X, would look like this:

OBJECTIVE SHEET - ICE
X - 1

METHODS OF DISSEMINATING MATERIAL

Material may be given out a unit or page at a time to keep the material before the students always new. Some teachers ask students to furnish a three-ring binder for the units while studying a particular unit. This is more convenient for taking the material home to study. Each unit is then placed in the large binders upon its completion. The large binders may be purchased from the CIMC. Some teachers have stored the materials by units in filing cabinets or boxes until needed for use. All the units may be given out at once if desired.

Student materials should be provided for each student for best results. They may be purchased in-state for less than a teacher can reproduce the materials, especially when the teacher's time is considered. Student materials contain everything but the test answers, answers to assignment sheets, and suggested activities. The tests are collated together at the back of the student material and should removed and stored until needed. The student should be allowed to take materials home at the end of the year.

TEACHING METHODS

It is a challenge to keep students motivated. Teachers can supplement the objectives by providing the "why," personal experiences, and current information. Preparation for each unit should be determined by how each objective can best be taught. Students should become involved in preparing and planning for each unit.

COMPETENCY PROFILES

A competency profile is available for each CIMC publication. Competency profiles document student performance. The profile contains a list of the specific job competencies that a student should achieve before leaving the training program. Profiles should be distributed to students as required.

CORRECTIONS AND SUGGESTIONS

The Curriculum and Instructional Materials Center (CIMC) wants to provide vocational instructors and students with materials that are accurate and effective. Although the CIMC strives to maintain the highest standards of development and production, oversights occasionally do occur. If you find any errors in this or other CIMC publications, or have suggestions for improving their usefulness in vocational programs, please notify the CIMC staff. One easy way of pointing out errors is to make a photocopy of the affected page and to indicate the correction on the copy. Mail this information to the CIMC, where it will be used to correct the publication before the materials are reprinted.

To ensure that the material is updated on a timely basis, notify the CIMC of necessary corrections as soon as possible after discovering the error. Do not assume that someone else will notice the error and inform the CIMC; other users may be making the same assumption. Please send corrections and recommendations for improving this publication to the following address:

Curriculum Development Coordinator
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and
  Technical Education
1500 West Seventh Avenue
Stillwater, Oklahoma 74074-4364

BASIC SKILLS IN CIMC MATERIALS

Preparing students to enter successfully into today's world of work offers vocational education a substantial challenge. The contemporary workplace is characterized by constant and rapid technological change and by increasing job complexity and skill intensity. Due to rapid technological advancement, the half-life of work skills is now reduced to a bare three to five years. Out of this new workplace environment has arisen a growing awareness of the critical importance of an American workforce armed with the skills necessary to survive in a competitive economy.

One result of this national awareness has been the emergence of a renewed emphasis on basic academic skills in all areas of education. Pressure to increase academic skills development is being placed on education by both legislative action and industry mandate. The Carl D. Perkins Vocational and Applied Technology Education Act of 1990 sets stringent basic skills requirements for vocational education. State legislatures are increasingly requiring basic skills accountability by teachers and school administrators. Graduation exams, minimum competency requirements, and expected learner outcomes are being implemented with increasing frequency. in addition, business and industry are delivering the message clearly to educators that vocational competence now requires increased strength in the basic skills.

The issue of the basic skills currently required in the work place was very successfully addressed in a recent national three-year study conducted jointly by the American Society of Training and Development (ASTD) and the U.S. Department of Labor (DOL). The findings of this study were published in 1990 in the book, *Workplace Basics: The Essential Skills Employers Want.*

The ASTD/DOL research indicates clearly that American employers have discovered that their workforces need a variety of skills that include, but are not limited to, the classic academic trio of reading, writing, and computation. Employers now are also looking for competence in areas such as "learning to learn," problem solving and critical thinking, interpersonal and teamwork skills, oral communication and listening techniques, and the social and personal management skills that demonstrate a capacity for independence and responsibility in on-the-job performance.

It is clear that the requirements of today's business and industry have expanded and redefined "workplace basics." It is in line with the re-definition and with the competency requirements of current education legislation, that the Oklahoma Department of vocational and Technical Education has chosen to address "basic skills" in the instructional materials produced by its Curriculum and Instructional Materials Center.

It is not a new development for CIMC materials to contain information and activities which develop basic skills competencies in students undertaking vocational programs. What is new is the specific marking, or flagging, of items in our instruction materials that address basic skills.

To assist teachers and students in identifying activities which promote basic skills development, CIMC has implemented a marking system which uses simple graphic symbols or icons. These icons are located in the left margins of assignment sheets, activity sheets, and job sheets. The following is an explanation of the icons and the kinds of basic skill activities they indicate.

1. **READING SKILLS:** Skills involving use of print resource material for obtaining and applying information.

   Current vocational education literature indicates that functional literacy as a workplace basic needs to be defined in terms of reading competencies actually required for job performance. The activities identified with this icon addressing reading skills in CIMC materials deal specifically with developing reading skills in an applied, job-related context. These range from general information-gathering activities to tasks requiring use of specific technical reference materials. Many contain a "learning to learn" aspect which promotes engaging actively and purposefully in vocationally relevant inquiry.

2. **WRITING SKILLS:** Skills involving written communication of processes, information, or ideas.

   Tasks identified with this icon promote development of skills in written communications. As with reading skills, the writing skills emphasized in CIMC materials have a vocational context. They include filling out forms, keeping work activity records, writing simple memos and letters, generating more complex reports and articles, and written expression of ideas and concepts related to vocational performance or exploration.

3. **MATHEMATICS SKILLS:** Skills involving computation, calculation, and interpretation of numerical data.

   This icon identifies activities which develop vocationally-related skills in computation, measurement and estimation, selection and application of appropriate mathematical processes, and collecting, displaying, or interpreting data.

4. **SCIENCE SKILLS**: Skills involving mastery and application of scientific information or theory.

   This icon marks activities which are related to the development of skills in either the physical or biological sciences. These skills stress occupationally-related application of science and technology.

5. **ORAL COMMUNICATION SKILLS:** Skills involving speaking and listening.

Activities marked with this icon promote development of effective speaking and listening. They include practice in such areas as speaking techniques, word choice, non-verbal messages, use of communication media, and using active listening techniques. Many of these activities promote "learning to learn" skills in verbal inquiry.

6. **INTERPERSONAL OR RELATING SKILLS:** Skills involving working and getting along with others.

Activities which deal directly with skills in relating to others are marked with this icon. This includes areas such as multi-cultural awareness, group processes and dynamics, negotiation, dealing with conflict, cooperation and teamwork, values and attitudes, and leadership and motivation.

7. **CREATIVE THINKING AND PROBLEM SOLVING SKILLS:** Skills involving comprehending, applying, analyzing, and developing complex ideas and situations.

This icon identifies activities which stress development of higher-order thought processes such as problem identification and analysis, lateral thinking, evaluating alternatives, developing solutions, examining assumptions, and evaluating outcomes.

8. **EMPLOYABILITY SKILLS:** Skills involving choosing, obtaining, and succeeding in a career.

Activities marked with this icon relate to competencies required to obtain employment and develop a career. These competencies include specific occupational tasks. They also include items such as career analysis and selection, job searching, completing applications and resumes, interviewing, business etiquette, and personal management skills required for job-keeping and maturing in one's work. Examples of the later category include personal presentation, self-discipline, work accuracy, reliability, discretion, punctuality, handling stress, judgment, confidence, etc.

9. **SOCIAL STUDIES SKILLS:** Skills involving investigation and application of social concepts.

This icon marks activities which stress competencies in fields relating to human society and its distribution and relationships. This includes areas such as history, geography, demographics, current events, cross-cultural studies, consumer issues, environmental issues, and ethical concerns in science and technology.

Some activities in CIMC materials develop skills in more than one of the nine basic skills areas. In cases where the relative strengths of the skill elements are clearly discernable, the identification icon used in the one judged to be the primary, or strongest, element in the activity. For some activities, more than one icon is used, indicating equal strength of basic skills components in the activity.

The use of graphic icons to identify basic skills in CIMC instructional materials is the first in a series of steps designed to foster basic skills development in vocational students and accountability for vocational teachers. The Oklahoma Department of Vocational and Technical Education has developed a staged implementation strategy for integrating basic skills into CIMC materials. Additional basic skills elements in future CIMC publications will reflect the advancement of this staged implementation.

Development Coordinator
Curriculum and Instructional Materials Center
Oklahoma Department of Vocational and Technical Education
1500 West Seventh Avenue
Stillwater, Oklahoma 74074-4364

OBJECTIVE SHEET

LEARNING WORK ETHICS

I

INTRODUCTION

Mark Twain once said, "Always do what is right. It will gratify most of the people and astound the rest."

Nearly every day, we hear via the media about someone who has been "caught" in unethical or dishonest behavior in their business dealings. This is true whether the individuals are in the public or private sectors of society.

People should be morally responsible as well as technically competent in the work place. This will assist workers to have productive employment and sustain long-term job satisfaction.

Webster's New World Dictionary, 3rd College Edition, defines ethics as "relating to what is good or bad and having to do with moral duty and obligation." Moral is defined as "relating to principles of right and wrong." It is essential that businesses be conducted in an ethical manner. Individuals who are equipped with a well-defined value system and strong decision-making skills are assets to their employers.

UNIT OBJECTIVE

After completing this unit, the student should be able to relate the importance of ethical behavior in the workplace, recognize ethical problems, and implement ethical decisions. The student will demonstrate these competencies by completing assignment sheets and written test with a minimum of 85 percent accuracy.

PREREQUISITES

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with ethics to their correct definitions.
2. Distinguish between personal, social and business ethics.
3. Select from a list the benefits of ethical behavior.
4. Sequence in order methods for solving ethical problems.
5. Discuss the role of values assessment in ethical decision making.

6. List ethical mediation skills.

7. Identify characteristics of ethical workers. (Assignment Sheet 1)

8. Describe how to handle ethical conflicts. (Assignment Sheet 2)

9. Analyze a case study on ethics. (Assignment Sheet 3)

PREPARATION

- Order materials to supplement unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.
- Plan additional tasks to be covered in classroom presentations.
- Invite guest speakers to discuss ethics at work.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed for the unit.

DELIVERY

Objective 1

- Discuss terminology with students.
- Have students do Handout 1, "Wordsearch Puzzle."

Objectives 2 and 3

- View and discuss the video *Ethics in the Work Environment*.
- Ask an employer from a local business to speak about the ethical responsibilities of employees.
- Discuss loyalty compared to obedience. Consider cases such as President Nixon, Fawn Hall, and Oliver North.
- Use Activity Sheet 1; break into small groups for discussion.

Objectives 4 and 5

- Invite a panel of business people to speak to the class about how ethical issues are resolved in their businesses and industries.
- Distribute Handout 2, "Ethical Conflicts," for discussion.

- Give a hypothetical problem. Have students make a choice, then use the values assessment process to alter or affirm their decisions.
- Use Activity Sheet 2 for a personal values assessment.

Objective 6

- After discussion of information, have students choose a buddy, and write a script for a skit illustrating the mediation skills. Let them give a brief synopsis of their skit, then the class will decide which ones to do as a class project. Evaluate each idea and skit.

APPLICATION

Objective 7

- Use Assignment Sheet 1 to allow students to identify characteristics of the ethical worker.
- Assign students to bring articles from newspapers or magazines relating to ethical or unethical behavior.
- Discuss articles in class.
- Use Activity Sheet 3 for role playing.

Objective 8

- Use Assignment Sheet 2 to determine how students handle ethical conflicts.
- Use Handout 3 and have students complete both assignment sheets and handout.

Objective 9

- Use Assignment Sheet 3, an analysis of a case study, to lead a discussion of all ethical conflict and behavior on the part of all three characters.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.

- Counsel students individually on pretest results and study requirements.

- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the written test actions listed in the specific objectives.

- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities if not previously done.

- Reteach and retest if necessary.

- Complete appropriate section of competency profiles.

- Review individual and group performance in order to evaluate teaching methods. If required, adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Audiovisual

- *Ethics in the Work Environment*, a video available from Dr. Joseph A. Petrick, Division of Professional Practice, University of Cincinnati, Cincinnati, Ohio, 45221-0115.

UNIT REFERENCES

- Caplan, Arthur L. and Daniel Callahan (eds.). *Ethics in Hard Times*. New York: Plenum Press, 1981.

- Coles, Robert. "Is the Moral Fabric of Our Children Unraveling?" *Teacher*, March, 1990.

- Donaldson, Thomas. *Case Studies in Business Ethics*. Englewood, New Jersey: Prentice-Hall, 1984.

- Fraenkel, Jack R. *How to Teach About Values*. Englewood, New Jersey, 1977.

- Gigliotti, Carol C. "Ethics Training for Office Workers." *The Balance Sheet*, Sept., Oct., 1989.

- Maddux, Robert B. and Dorothy Maddux. *Ethics in Business: A Guide for Managers*. Los Altos, California: Crisp Publications, Inc., 1989.
- Miller, Pamela F. and William T. Coady. "Teaching the Ethics of Work." *Vocational Education Journal*, Aug., 1989.
- Petrick, Joseph A., George Manning and Kent Curtis. "Teaching Business Ethics in a Business Education Program." *The Balance Sheet*, Sept., Oct., 1989.
- *Succeeding in the World of Work* Activity Book, Kimbrell, Grady and Vineyard, Bev S., Mission Hills, California: Glencoe Publishing Co., 1981.

PRETEST ANSWERS — LEARNING WORK ETHICS

I

OBJECTIVE 1

1. d
2. f
3. c
4. b
5. a
6. e
7. g

OBJECTIVE 2

1. B
2. P
3. S

OBJECTIVE 3

2, 3

OBJECTIVE 4

5, 1, 3, 4, 6, 2

OBJECTIVE 5

Answer should include the following

1. In return; take turns
2. Sensible; easily understood; clear

OBJECTIVE 6

Answer should include the following

1. Principled negotiation
2. Assertiveness
3. Empathetic listening
4. Evaluating risk

OBJECTIVES 7-9

Refer to answers to Assignment Sheets 1 through 3.

HANDOUT 1

LEARNING WORK ETHICS

Our society accepts the values listed below. Evaluate these standards as very important (V), somewhat important (S), or unimportant (U) to you.

Compassion	___	Fairness	___	Moral	___
Cooperation	___	Helpfulness	___	Reliable	___
Courage	___	Honesty	___	Respectful	___
Dependability	___	Law Abiding	___	Responsibility	___
Ethical	___	Loyalty	___	Truthfulness	___

Find these words in the puzzle below. Words may be found vertically, horizontally or diagonally, forward or backward.

WORD SEARCH PUZZLE

W	I	V	E	T	H	I	C	A	L	T	S	O	R	N	F
S	A	B	S	A	O	O	M	U	A	V	S	M	Q	O	D
E	T	H	I	C	U	B	F	Z	W	X	E	K	P	I	B
L	H	O	T	R	U	T	H	F	U	L	N	E	S	S	C
B	E	I	A	L	C	D	O	S	O	A	R	I	S	S	O
A	V	G	T	E	Q	F	E	S	G	R	I	G	E	A	O
I	E	N	P	E	S	N	Q	E	I	O	A	E	N	P	P
L	X	S	U	G	Y	H	S	Y	K	M	F	C	L	M	E
E	E	L	O	Y	A	L	T	Y	M	P	Q	B	U	O	R
R	E	S	P	R	A	S	A	R	O	M	S	V	F	C	A
F	S	B	E	I	E	J	U	A	O	N	T	U	P	C	T
U	E	Y	G	N	I	D	I	B	A	W	A	L	L	H	I
N	N	T	O	K	U	L	W	C	Q	Y	U	T	E	J	O
N	E	H	R	M	W	N	Y	E	S	X	V	S	H	L	N
Y	T	I	L	I	B	A	D	N	E	P	E	D	O	N	A
X	I	R	E	S	P	O	N	S	I	B	I	L	I	T	Y

HANDOUT 1
ANSWERS

LEARNING WORK ETHICS

I

ANSWER KEY FOR WORD SEARCH PUZZLE

			E	T	H	I	C	A	L		S			N	
						O		U			S			O	
E					U		F				E			I	
L			T	R	U	T	H	F	U	L	N	E	S	S	C
B			A		C					A	R		S	S	O
A		G		E						R	I		E	A	O
I	E		P							O	A		N	P	P
L		S								M	F		L	M	E
E	E	L	O	Y	A	L	T	Y					U	O	R
R						S							F	C	A
					E								P		T
			G	N	I	D	I	B	A	W	A	L	L		I
			O										E		O
		H											H		N
Y	T	I	L	I	B	A	D	N	E	P	E	D			
		R	E	S	P	O	N	S	I	B	I	L	I	T	Y

HANDOUT 2

LEARNING WORK ETHICS

I

ETHICAL CONFLICTS

Conflicting loyalties, fear of failure and/or the fear of being fired put our ethical values on the line. How would you respond to each of the following situations? Be honest!

Would you:	YES	NO
• Alter a financial report at your boss's direction?	______	______
• Protect a friend and co-worker whose drinking/drug abuse is causing problems in your unit?	______	______
• Take credit for work on a report that was prepared by someone else?	______	______
• Put off correcting a safety situation because the cost will decrease your division's profitability?	______	______
• Change a performance appraisal to reflect more positively on an individual whose advancement is important to your supervisor?	______	______

Used from *Ethics In Business: A Guide For Managers* by Maddux, Robert B. and Dorothy Maddux with the permission of Crisp Publications, Inc.

LEARNING WORK ETHICS

FIVE RULES FOR ETHICAL BEHAVIOR

In the workplace, you will be presented with a variety of situations and issues in which ethics play an important part. There are many more. You may describe the situations and issues as an ethical "mine field." Hopefully, the following rules will be a good start.

1. Consider the needs of others, not just your own. Remember that you have to give in order to get, and that life is better when you live it as a win/win process.
2. Never forget who you and your organization are. You are part of the community and a thread in the fabric of society. Don't do those things that common sense tells you will cause it to unravel.
3. Obey rules, laws, and cultural standards, or get them changed. Remember, however, that you can be unethical without breaking the law. Use common sense and assess the potential damage of an unethical act or the violation of moral standards in advance. Violations are not worth it in the long run.
4. Test your thinking frequently. Ask yourself, "Is this the right thing to do? Is it fair? Is it honest? Is there a better way?"
5. Don't lose your objectivity. This is a simple statement, but a tough order. What is right, what is fair, and what is in your best interest may be different things. Be sure you put your biases aside and look at all aspects of the issue.

Used from *Ethics In Business: A Guide For Managers* by Maddux, Robert, B. and Dorothy Maddux with the permission of Crisp Publications, Inc.

PRETEST

LEARNING WORK ETHICS

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with ethics to their correct definitions. Write the correct letters in the blanks.

______1. Relating to principles of right and wrong

______2. Resolving differences between two or more conflicting parties through an intermediary

______3. True and faithful to obligations and employer

______4. In return

______5. Value we put on ourselves and others

______6. Act of working together

______7. Willing to do what one is told

a. Respect

b. Reciprocal

c. Loyalty

d. Moral

e. Cooperation

f. Mediation

g. Obedience

OBJECTIVE 2

Distinguish between personal, social and business ethics.

Place the appropriate letter by the statement which it identifies:
P = Personal; S = Social; B = Business.

______1. Relates to policies and practices on the job

______2. Formulated by religious beliefs or family values

______3. Rules of conduct that are necessary for the survival of society

OBJECTIVE 3

Select from a list the benefits of ethical behavior. Write an "X" before each correct answer.

______1. A person who is a liar will be trusted by his co-workers and employer.

______2. Business ethics require an awareness of the consequences of the company's actions.

______3. Ethical employees want to work for ethical organizations.

OBJECTIVE 4

Sequence in order methods for solving ethical problems. Write a "1" in front of the first step, a "2" in front of the second step, and so on.

______Decide on best solution.

______Define the problem.

______List possible solutions.

______Evaluate the possible results of each solution.

______Implement the solution.

______Gather information.

OBJECTIVE 5

Discuss the role of values assessment in ethical decision making.

1. Reciprocal ______________________________

2. Coherent ______________________________

OBJECTIVE 6

List ethical mediation skills.

____

____

____

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives.

OBJECTIVE 7 **Identify characteristics of ethical workers.** SCORE ______

OBJECTIVE 8 **Describe how to handle ethical conflicts.** SCORE ______

OBJECTIVE 9 **Analyze a case study on ethics.** SCORE ______

OBJECTIVE 1

Match terms associated with ethics to their correct definitions.

- **Choice** — The power or chance to choose; option
- **Cooperation** — Act of working together; united effort or labor
- **Ethics** — Relating to what is good or bad; having to do with moral duty and obligation
- **Honesty** — Emphasizes fairness and uprightness in dealing with others
- **Loyalty** — True and faithful to obligations and employer
- **Mediation** — Resolving differences between two or more conflicting parties through an intermediary
- **Moral** — Relating to principles of right and wrong
- **Obedience** — Willing to do what one is told
- **Reciprocal** — In return
- **Respect** — Value we put on ourselves and others
- **Responsibility** — Being dependable; an obligation
- **Tolerance** — Willing to endure beliefs and actions of which one does not approve
- **Truthfulness** — Telling the truth; free from deceit
- **Values assessment** — To evaluate the merit of a standard

OBJECTIVE 2

Distinguish between personal, social and business ethics.

Personal Ethics

- As varied as the individual
- Judgments made by a person which are formulated by religious beliefs, family or cultural background, or personal experiences

- Values that influence the way a person deals with employers, employees, peers, family, and all other individuals

- Judgments which determine how a person views and resolves ethical situations.

  EXAMPLE: It is wrong to hunt deer out of season.

Social Ethics

- Rules of conduct that are accepted as essential for our welfare and survival

- Standards of behavior that are agreed upon by a society

  EXAMPLES: It is wrong to steal, lie, kill, cheat, etc.

Business Ethics

- Standards of conduct and moral judgment in policies and practices on the job

- Having to do with an individual's ethical behavior while on the job

- Behavior and moral character demonstrated from the entry level job to top management

  EXAMPLE: It is wrong to take supplies which are intended for the office.

OBJECTIVE 3 **Select from a list the benefits of ethical behavior.**

In the business world the individuals and organizations, each with a reputation for high ethical standards, are attracted to each other. As a result, they can work at achieving common goals.

Organizations outside the business become aware of the ethical standards of the company and choose them over unethical organizations because they genuinely respect, trust and like them.

Individuals want to work for ethical companies; government agencies want to help them; and customers like to do business with them. As a result of highly ethical behavior, both company and individual worker have good reputations.

OBJECTIVE 4

Sequence in order methods for solving ethical problems.

Solving ethical problems can be approached just like any other problem. The following decision-making method may be employed.

1. Define the problem.
2. Gather information.
    a. Is it an ethical problem? Are factors such as honesty, personal rights, morality or fairness at issue? If so, it is an ethical problem.
    b. Who does the problem affect?
    c. Is this a company problem, personal problem, or an industrial problem?
    d. Is special help needed to establish a program to deal with the problem?
3. List possible solutions. Look at every possible point of view.
4. Evaluate the probable results of each solution. Is it legal, moral, acceptable? Does it support the public image of your company? Does it make you feel comfortable?
5. Decide on the best solution.
6. Implement the solution with the highest degree of probable success.

Used from Ethics In Business: A Guide For Managers by Maddux, Robert, B. and Dorothy Maddux with the permission of Crisp Publications, Inc.

OBJECTIVE 5

Discuss the role of values assessment in ethical decision making.

When faced with a particular ethical decision, one is forced to take a stand. A values assessment gives the opportunity to defend one's choice and then alter or affirm one's beliefs.

In a value assessment process, the student must answer several questions.

Is the choice reciprocal? In other words, would your choice be the same if you took the place of someone else?

How consistent is your choice? Would it work in another situation?

Is the choice individually and collectively coherent? That is, would the outcome contribute to your overall well-being as well as that of the group or organization?

Is the choice comprehensive, or appropriate for anyone in a similar situation?

How adequate is the choice in solving the short-term problem?

Is the choice a durable one that will resolve the problem over time?

Used with permission from "Teaching Ethics of Work," Pamela F. Miller and William Coady, project directors, through a grant from the Department of Adult Vocational and Technical Education of the Illinois State Board of Education.

OBJECTIVE 6 **List ethical mediation skills.**

In order to implement decisions successfully, it is important to learn mediation skills:

- **Assertiveness** — involves the ability to stand up for one's rights without infringing on the rights of others.
- **Empathetic listening** — is the ability to listen to the speaker's complete message and to respond appropriately to the speaker's needs.
- **Principled negotiation** — requires (1) working together to create an agreement fair to all parties and (2) regarding the problem, not other persons, as the enemy. This strategy is thus the opposite of positional negotiation, which seeks to win by making sure that all opponents lose.

Used with permission from "Teaching Ethics of Work," Pamela F. Miller and William Coady, project directors, through a grant from the Department of Adult Vocational and Technical Education of the Illinois State Board of Education.

- **Evaluating risk** — is an essential skill because use of the previous mediation skills involves some degree of risk. It can be risky to be assertive with those who have more power, for example, and it can be risky to use a cooperative form of negotiation. It can even be risky to really attend to all of the messages in someone's communication.

Used with permission from "Teaching Ethics of Work," Pamela F. Miller and William Coady, project directors, through a grant from the Department of Adult Vocational and Technical Education of the Illinois State Board of Education.

ACTIVITY SHEET 1

LEARNING WORK ETHICS

NAME ______________________________

TEN ETHICAL MISTAKES TO AVOID

PART I

Reading Comprehension Skills
- React to written material

General Relating Skills
- Apply information to life experiences

Cognitive Activity Skills
- Transfer knowledge/training to new situations

Functional Social Studies Skills
- Practice good work ethics

The following list contains situations which might take place in a working environment. Read them and decide which ones you, personally, would not do. Write checks by those you would avoid doing.

______1. Lying or in any way misrepresenting the facts about the activities I direct.

______2. Blaming my boss for my personal mistakes or those of my employees.

______3. Divulging personal or confidential information to peers, senior managers, employees, customers, competitors, or the general public.

______4. Permitting, or failing to report, violations of any federal, state, or municipal laws or regulations.

______5. Protecting substandard performers from corrective discipline or termination.

______6. Condoning or failing to report the theft or misuse of company property.

______7. Suppressing grievances and complaints.

______8. Covering up on-the-job accidents and failing to report health and safety hazards.

______9. Ignoring or violating the boss's commitments to employees.

_____10. Passing on employee ideas as my own.

Used from *Ethics In Business: A Guide For Managers* by Maddux, Robert B. and Dorothy Maddux, with the permission of Crisp Publications, Inc.

PART II Can you think if five others.

Used from *Ethics In Business: A Guide For Managers* by Maddux, Robert B., and Dorothy Maddux, with the permission of Crisp Publications, Inc.

ACTIVITY SHEET 2 LEARNING WORK ETHICS

NAME ______________________________

Reading Comprehension Skills
- React to written material

Data Analysis and Display Skills
- Construct line graph
- Interpret line graph
- Interpret statistics

General Relating Skills
- Identify personal values/attitudes

IDENTIFYING YOUR VALUES

The purpose of this activity is to help you identify and rate the importance of your values so that you can select a career goal that matches well with your values. Examine your interest as it relates to your future career goals.

You need to know what your values are when it comes time to select a long-range career goal. Otherwise, you might choose a career that conflicts with your values.

Below and on the next few pages are one hundred statements that deal with values. Read each statement carefully. Then rate the statement as it applies to you.

If the statement is *definitely* true, circle 10.
If the statement is *mostly* true, circle 7.
If you are *undecided*, circle 5.
If the statement is *mostly* false, circle 3.
If the statement is *definitely* false, circle 0.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
1.	I have a physical checkup every year.	10	7	5	3	0
2.	I will take my children to church services regularly.	10	7	5	3	0
3.	I enjoy attending musical concerts.	10	7	5	3	0

Used from *Succeeding in The World of Work* Student Activity Workbook, with the permission of Glencoe, MacMillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
4.	It is important to me to have a lot of friends.	10	7	5	3	0
5.	I donate to charities that I feel are worthwhile.	10	7	5	3	0
6.	I envy the way movie stars are recognized wherever they go.	10	7	5	3	0
7.	I would like to have enough money to retire at fifty.	10	7	5	3	0
8.	I would rather spend an evening at home with my family than out with friends.	10	7	5	3	0
9.	I enjoy making decisions that involve other people.	10	7	5	3	0
10.	If I had talent, I would like to write songs.	10	7	5	3	0
11.	I have a close relationship with at least one of my parents.	10	7	5	3	0
12.	I have taught a Sunday school class or have otherwise taken an active part in my church.	10	7	5	3	0
13.	I am willing to spend time helping fellow students who are having difficulty with their studies.	10	7	5	3	0
14.	Even at the same salary, I would rather be the boss than just another worker.	10	7	5	3	0
15.	I have a special appreciation for beautiful things.	10	7	5	3	0
16.	If I had the talent, I would like to appear regularly on television.	10	7	5	3	0
17.	I would like to counsel people and help them with their problems.	10	7	5	3	0
18.	I would enjoy associating with movie stars and other celebrities.	10	7	5	3	0
19.	I have a dental checkup at least once a year.	10	7	5	3	0
20.	I enjoy writing short stories.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
21.	I would rather spend a summer working than going on a paid vacation.	10	7	5	3	0
22.	I like to go to parties.	10	7	5	3	0
23.	I think it would be fun to write a play for television.	10	7	5	3	0
24.	I believe in a Supreme Being.	10	7	5	3	0
25.	I would rather be an officer than just a club member.	10	7	5	3	0
26.	I would rather spend my last $100 for needed dental work than for a vacation at my favorite resort.	10	7	5	3	0
27.	I enjoy giving presents to members of my family.	10	7	5	3	0
28.	If I were a teacher, I would rather teach poetry than math.	10	7	5	3	0
29.	I often have daydreams about things that I would like to do if I had the money.	10	7	5	3	0
30.	I enjoy giving parties.	10	7	5	3	0
31.	I am willing to write letters for old or sick people.	10	7	5	3	0
32.	It would be very satisfying to receive a lot of publicity for acting in movies or television.	10	7	5	3	0
33.	When I feel ill, I usually call a doctor.	10	7	5	3	0
34.	I believe that it is important to support a church by giving time and/or money.	10	7	5	3	0
35.	I enjoy taking part in discussions at the family dinner table.	10	7	5	3	0
36.	I enjoy visiting art museums.	10	7	5	3	0
37.	I like to write poetry.	10	7	5	3	0
38.	I like to be around other people most of the time.	10	7	5	3	0
39.	I like to be the one who decides what we will do or where we will go when I'm out with friends.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
40.	Someday I would like to live in a large, expensive house.	10	7	5	3	0
41.	Each day I try to set aside some time for worship.	10	7	5	3	0
42.	If I knew a family that had no food for Christmas dinner, I would try to provide it.	10	7	5	3	0
43.	I like to spend holidays with my family.	10	7	5	3	0
44.	I like to see my name in print (in the newspaper).	10	7	5	3	0
45.	I would rather take a class in freehand drawing than a class in math.	10	7	5	3	0
46.	I do not like to spend an entire evening alone.	10	7	5	3	0
47.	If the salary were the same, I would rather be a school principal than a classroom teacher.	10	7	5	3	0
48.	I have expensive tastes.	10	7	5	3	0
49.	I can tell the difference between a really fine painting or drawing and an ordinary one.	10	7	5	3	0
50.	If I had regular headaches, I would consult a doctor even if aspirin seemed to lessen the pain.	10	7	5	3	0
51.	I have several very close friends.	10	7	5	3	0
52.	I expect to provide music lessons for my children.	10	7	5	3	0
53.	It is important to me that grace be said before meals.	10	7	5	3	0
54.	I sometimes miss sleep to visit late with company.	10	7	5	3	0
55.	I usually get at least eight hours of sleep each night.	10	7	5	3	0
56.	I like to design things.	10	7	5	3	0
57.	I would rather be well-known throughout the country than highly respected by my co-workers.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
58.	I would get a sense of satisfaction from nursing a sick person back to health.	10	7	5	3	0
59.	I care what my parents think about the things I do.	10	7	5	3	0
60.	I daydream about making a lot of money.	10	7	5	3	0
61.	I like to be the chairperson at meetings.	10	7	5	3	0
62.	It is thrilling to come up with an original idea and put it to use.	10	7	5	3	0
63.	I believe there is life after death.	10	7	5	3	0
64.	If someone is hard to get along with, I try to be understanding.	10	7	5	3	0
65.	If I were in the television field, I would rather be a celebrated actor than a scriptwriter.	10	7	5	3	0
66.	I enjoy decorating my room at home.	10	7	5	3	0
67.	I enjoy a picnic with my family.	10	7	5	3	0
68.	As an adult, I want to earn a higher salary than the average worker.	10	7	5	3	0
69.	I am careful to have a balanced diet each day.	10	7	5	3	0
70.	I often influence other students concerning the classes they enroll in.	10	7	5	3	0
71.	I would like to be written up in *Who's Who.*	10	7	5	3	0
72.	I read the Bible or other religious writings regularly.	10	7	5	3	0
73.	If I were in the clothing industry, I would enjoy creating new styles.	10	7	5	3	0
74.	I look forward to an evening out with a group of friends.	10	7	5	3	0
75.	When I am with a group of people, I like to be the one in charge.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
76.	I dislike being financially dependent on others.	10	7	5	3	0
77.	When a friend is in trouble, I feel I must comfort him or her.	10	7	5	3	0
78.	I love my parents.	10	7	5	3	0
79.	I almost never skip meals.	10	7	5	3	0
80.	I have a collection of phonograph records.	10	7	5	3	0
81.	I have a particular friend with whom I discuss problems.	10	7	5	3	0
82.	I am interested in and respect others' religious beliefs.	10	7	5	3	0
83.	I enjoy buying clothes for members of my family.	10	7	5	3	0
84.	I would enjoy having people recognize me wherever I go.	10	7	5	3	0
85.	I like planning activities for others.	10	7	5	3	0
86.	I do not smoke.	10	7	5	3	0
87.	I feel good when I do things that help others.	10	7	5	3	0
88.	Someday I would like to write a novel.	10	7	5	3	0
89.	I would put up with undesirable living conditions in order to work at a job that paid extremely well.	10	7	5	3	0
90.	I belong to several clubs and organizations.	10	7	5	3	0
91.	I believe in the power of prayer and meditation.	10	7	5	3	0
92.	I would enjoy having my picture in the school yearbook more than it has been in the past.	10	7	5	3	0
93.	I often organize group activities.	10	7	5	3	0
94.	When I see a newly constructed building, I consider its beauty as much as its practical use.	10	7	5	3	0
95.	I respect my father and mother.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

	VALUES STATEMENTS	DEFINITELY TRUE	MOSTLY TRUE	UNDECIDED	MOSTLY FALSE	DEFINITELY FALSE
96.	I like to design or make things that have not been made before.	10	7	5	3	0
97.	Some of the hobbies I would like to have are quite expensive.	10	7	5	3	0
98.	I enjoy classical music.	10	7	5	3	0
99.	I would never use potentially harmful drugs because of what they might do to my body.	10	7	5	3	0
100.	I am kind to animals.	10	7	5	3	0

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

RATING YOUR VALUES

The numbers of the one hundred statements that you just rated are listed under the appropriate values in the chart below. For example, statements 6, 16, 18, 32, and so on, all relate to the value *fame*; therefore, they are listed under *Fame*. To determine your rating for each value, write the number that you circled (10, 7, 5, 3, or 0) for each statement on the blank next to the statement number. Then add the numbers in each column to get your total for each value.

VALUES RATING CHART

(continued on next page)

Fame	**Money**	**Power**	**Religion**	**Humanitarianism**
6. ____	7. ____	9. ____	2. ____	5. ____
16. ____	21. ____	14. ____	12. ____	13. ____
18. ____	29. ____	25. ____	24. ____	17. ____
32. ____	40. ____	39. ____	34. ____	31. ____
44. ____	48. ____	47. ____	41. ____	42. ____
57. ____	60. ____	61. ____	53. ____	58. ____
65. ____	68. ____	70. ____	63. ____	64. ____
71. ____	76. ____	75. ____	72. ____	77. ____
84. ____	89. ____	85. ____	82. ____	87. ____
92. ____	97. ____	93. ____	91. ____	100. ____
Total ☐	Total ☐	Total ☐	Total ☐	Total ☐

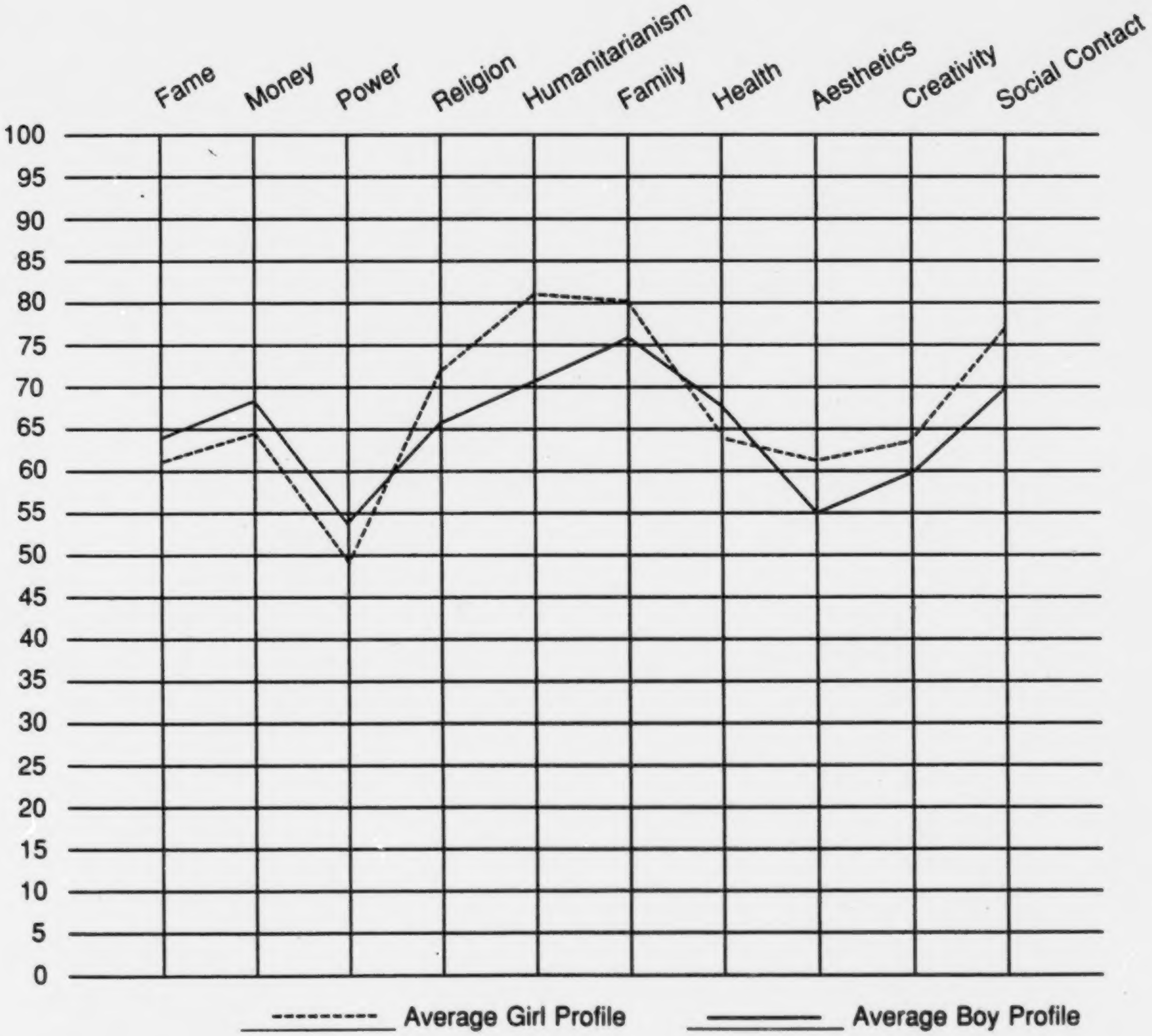
Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

Family	Health	Aesthetics	Creativity	Social Contact
8. _____	1. _____	3. _____	10. _____	4. _____
11. _____	19. _____	15. _____	20. _____	22. _____
27. _____	26. _____	28. _____	23. _____	30. _____
35. _____	33. _____	36. _____	37. _____	38. _____
43. _____	50. _____	49. _____	45. _____	46. _____
59. _____	55. _____	52. _____	56. _____	51. _____
67. _____	69. _____	66. _____	62. _____	54. _____
78. _____	79. _____	80. _____	73. _____	74. _____
83. _____	86. _____	94. _____	88. _____	81. _____
95. _____	99. _____	98. _____	96. _____	90. _____
Total ☐	Total ☐	Total ☐	Total ☐	Total ☐

Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

COMPARING VALUES

The graph below shows the *average* scores for each of the ten values for both boys and girls. The averages are based on the scores of students from junior and senior high schools across the country. Plot your own scores (from the preceding pages) on the graph. You will then be able to compare your value ratings to those of other students your age.



Used from *Succeeding In The World of Work* Student Activity Workbook, with the permission of Glencoe, Macmillan/McGraw-Hill, 5th edition, © 1992.

ACTIVITY SHEET 3

LEARNING WORK ETHICS

NAME ____________________

ETHICS ROLE PLAY SITUATION

DIRECTIONS

Oral Presentation Skills
- Make informative presentations
- Present personal opinion/viewpoint
- Work effectively in a group

Teamwork/Cooperative Skills
- Select/apply appropriate behavior
- Give/receive feedback
- Generate ideas

Functional Social Study Skills
- Practice good work ethics.

Choose one of the following topics or create one yourself, then participate in a role-play situation:

- Calling in sick when you are not
- Sneaking "freebies" to family and/or friends
- Copying homework when lacking time to do it on your own
- Taking staples, staplers, thumb tacks, paper and/or other property from your workplace
- Recording extra hours on the time card
- Conflicts with your manager
- False advertising on the part of the company you work for
- Failing to give a full day's work for a full day's pay

ASSIGNMENT SHEET 1

LEARNING WORK ETHICS

I

NAME ______________________ SCORE ______

OBJECTIVE 7

Reading Comprehension Skills
- Draw conclusions

Cognitive Activity Skills
- Analyze/synthesize information

Identify characteristics of ethical workers.

In the following scenarios, choose from the list the characteristics that are demonstrated. Choose from the following:

- Reliability
- Trustworthiness
- Willingness to work
- Willingness to learn
- Responsibility for one's own actions
- Ability to work cooperatively

1. Roger arrives at work at 8:55 a.m. and clocks in. His work schedule is 9 a.m. - 5 p.m.

   ____

2. A problem on the shipping line prompts the supervisor to ask Dale and Regina to get together and come up with a solution.

   ____

3. The security guard asks Janine for her confidential assistance in verifying a co-worker's theft of office supplies.

   ____

4. Because Matt was daydreaming, the sorter malfunctioned and his co-worker was blamed. Matt confesses to his supervisor that it was his fault and promises that it will not happen again.

   ____

5. Brad volunteers to help install a new machine in the shop and to teach others to use it.

   ____

6. When computers are installed in every office, Mary eagerly signs the request for lessons to learn computer operations.

____

"Teaching The Ethics of Work" by Miller, Pamela F. and William T. Coady used with the permission of the *Vocational Education Journal*, August, 1989.

ASSIGNMENT SHEET 2

LEARNING WORK ETHICS

NAME ______________________________ SCORE ________

OBJECTIVE 8 **Describe how to handle ethical conflicts.**

INTRODUCTION

Our ethical values are put on the line many times, sometimes on a day-to-day basis, because of our fear of failure or of being fired or feeling disloyal. How would you handle the following situations? Be honest!

Reading Comprehension Skills
- Draw conclusions
- React to written material

General Relating Skills
- Apply information to life experiences
- Identify personal values/attitudes

Cognitive Activity Skills
- Analyze/synthesize information
- Devise a solution

Functional Social Study Skills
- Practice good work ethics

1. You have just found out that you are not being paid as much as a fellow worker who was hired at the same time and with your same qualifications.

   ____

   ____

2. You were fired from your last job for being late too many times. You have learned your lesson and realize that punctuality is essential for job success. Would you leave the information off your job application?

   ____

   ____

3. A friend is causing productivity problems in your unit because of an alcohol/drug abuse problem. What do you do?

   ____

   ____

4. Your boss tells you to alter a financial report.

   ____

   ____

5. Your supervisor gives you credit for work on a report that was done by a co-worker in your department.

____

____

6. List below the things you would NOT do, even at the risk of being fired.

____

____

____

____

____

ASSIGNMENT SHEET 3

LEARNING WORK ETHICS

NAME ______________________________ SCORE ________

OBJECTIVE 9 **Analyze a case study on ethics.**

INTRODUCTION

Cindy worked at Green's Grocery Store twenty hours a week. She was frequently late and would not call in and let her immediate supervisor know. Her attitude was bad when she was on the job. She was surly to customers and stood around doing nothing when there was no one to check out.

Mr. Doodles, the manager of the store, was really angry with her, but didn't want to fire her, because he might have to pay unemployment wages on her.

Mr. Doodles decided to create a work climate for Cindy that would be so uncomfortable it would cause her to quit. He told Cindy's immediate supervisor about it and she agreed to the idea. They gave Cindy the worst shift and the most difficult and disgusting tasks to do. When Cindy complained, she was told she could "like it or lump it." Cindy soon quit.

What ethical issues are involved here for:

Cindy ______________________________

____

____

Her supervisor ______________________________

____

____

Mr. Doodles ______________________________

____

____

Reading Comprehension Skills
- React to written material

General Relating Skills
- Apply information to life experiences

Cognitive Activity Skills
- Analyze/synthesize information
- Draw conclusions
- Devise a solution

Functional Social Study Skills
- Analyze social issues

What would you have done if you were:

Cindy ____

____

____

Her supervisor ______________________________________

____

____

Mr. Doodles ____

____

____

ASSIGNMENT ANSWERS

LEARNING WORK ETHICS

I

ASSIGNMENT SHEET 1

NOTE: Some questions might seem to have more than one answer. Encourage students to discuss them.

1. Reliability
2. Ability to work cooperatively
3. Trustworthiness
4. Responsibility for one's own actions
5. Willingness to work
6. Willingness to learn

ASSIGNMENT SHEET 2

Answers will vary. These are some suggested responses.

1. Make an appointment with your supervisor to discuss the problem.

2. Most applications stress honesty. If it is not on your application and your last supervisor is called as a reference, it would be worse than admitting it yourself. Also, you would say that you have learned your lesson.

3. Although it will be a very difficult thing to report your friend, he or she may be endangering all employees. It needs to be reported whether the individual remains your friend or not.

4. You would have to say "no." When you are put in a position of being dishonest you may have to suffer difficult consequences, such as being fired. However, you must live with yourself daily and going against your ethics is a very difficult situation to cope with.

5. Be up front and honest. Do not take credit for someone else's work.

6. Answers will vary.

ASSIGNMENT SHEET 3

Answers will vary. The following are suggestions only.

1. What ethical issues are involved?
   Cindy — Poor attitude, unreliable, not responsible for her own behavior.

Her supervisor — Dishonest.
Mr. Doodles — Dishonest, non-assertive, underhanded, devious

2. What would you have done if you were:
Cindy — Since neither Cindy nor the employers were honest, there would probably be no real communication even if she asked to talk to them. I would find another job and straighten out my attitudes.

Her supervisor — This is the first person who could have made things better. She should have talked with Cindy and given her a chance to change. Although it would be difficult, she should have resisted going along with the dishonest plan.

Mr. Doodles — He should talk with Cindy or her supervisor and allowed Cindy to change. It is very unethical for him to pressure Cindy to quit.

WRITTEN TEST

LEARNING WORK ETHICS

I

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with ethics to their correct definitions. Write the correct letters in the blanks.

______1. Relating to principles of right and wrong

______2. Resolving differences between two or more conflicting parties through an intermediary

______3. True and faithful to obligations and employer

______4. In return

______5. Act of working together; united effort or labor

______6. The power or chance to choose; option

______7. Relating to what is good or bad; having to do with moral duty and obligation

______8. Telling the truth; free from deceit

______9. To evaluate the merit of a standard

______10. Willing to do what one is told

a. Choice

b. Cooperation

c. Ethics

d. Honesty

e. Loyalty

f. Mediation

g. Moral

h. Obedience

i. Reciprocal

j. Respect

k. Responsibility

l. Tolerance

m. Truthfulness

n. Values assessment

OBJECTIVE 2

Distinguish between personal, social and business ethics. Place the appropriate letter by the statement which it identifies: P = Personal; S = Social; B = Business.

______1. Values that influence the way a person deals with employers, employees, peers, family and all other individuals

______2. Having to do with an individual's ethical behavior on the job

______3. Standards of behavior that are agreed upon by a society

______4. Behavior and moral character demonstrated from the entry level job to top management

______5. Rules of conduct that are accepted as essential for our welfare and survival

______6. Judgments made by a person which are formulated by religious beliefs, family or cultural background, or personal experiences

______7. Standards of conduct and moral judgment in policies and practices on the job

______8. Judgments which determine how a person views and resolves ethical situations

______9. As varied as the individual

OBJECTIVE 3

Select from the following list the benefits of ethical behavior. Write an "X" before each correct statement.

______1. The reputation for good ethics helps attract business.

______2. Ethical individuals looking for jobs avoid dealing with companies with good ethics, looking instead for employers who will let them "get by" with things.

______3. Reputation is not important in the business world.

______4. Government agencies are supportive of ethical companies.

______5. Because ethical businesses and ethical employees have common values, they work very well toward common goals.

______6. Ethics in business is a thing of the past, now its more important to do your own thing.

______7. Companies choose ethical businesses to deal with because they genuinely respect, trust and like them.

OBJECTIVE 4

Sequence in order methods for solving ethical problems. Write a "1" in front of the first step, a "2" in front of the second, and so on.

______ Decide on the best solution.

______ List possible solutions.

______ Define the problem.

______ Evaluate the possible results of each solution.

______ Implement the solution with the highest degree of probable success.

______ Gather information.

OBJECTIVE 5

Discuss the role of values assessment in ethical decision making.

____

____

____

____

OBJECTIVE 6

List ethical mediation skills.

____

____

____

____

NOTICE The following assignment sheets are not a part of the written test. If these activities have not been completed, check with the instructor.

OBJECTIVE 7 **Identify characteristics of ethical workers.** SCORE ______

OBJECTIVE 8 **Describe how to handle ethical conflicts.** SCORE ______

OBJECTIVE 9 **Analyze a case study on ethics.** SCORE ______

WRITTEN TEST ANSWERS

LEARNING WORK ETHICS

OBJECTIVE 1

1. g
2. f
3. e
4. i
5. b
6. a
7. c
8. m
9. n
10. h

OBJECTIVE 2

1. P
2. B
3. S
4. B
5. S
6. P
7. B
8. P
9. P

OBJECTIVE 3

1, 4, 5, 7

OBJECTIVE 4

5, 3, 1, 4, 6, 2

OBJECTIVE 5

Answer should include:

When faced with a particular ethical decision, one is forced to take a stand. A values assessment gives the opportunity to defend one's choice and then alter or affirm one's beliefs.

OBJECTIVE 6

1. Assertiveness
2. Empathetic listening
3. Principled negotiation
4. Evaluating risk

OBJECTIVE 7 THROUGH 9

Refer to answers to Assignment Sheets 1 through 3.

OBJECTIVE SHEET

CALCULATING BASIC MATH

II

INTRODUCTION

The business world is full of math! A person in business has help from calculators, cash registers and computers. However, a knowledge of basic math is still necessary in order to use state-of-the-art machines to their maximum.

Most jobs require math skills, and an employee who is good at math is valuable to a company.

UNIT OBJECTIVE

After completing this unit, the student should be able to identify terms related to math and business math, apply basic math in word problems, read and reconcile a bank statement, determine selling prices and discounts, figure a company's profit and loss, figure simple interest, and read different types of graphs. The student will demonstrate these competencies by completing assignment sheets and written test with a minimum of 85 percent accuracy.

PREREQUISITES

ICE Year One

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with basic math functions to their correct definitions.
2. Match business math terms to their correct definitions.
3. Arrange in order steps to follow in solving word problems.
4. Complete statements about figuring selling price and discounts.
5. Discuss the procedure for figuring profit and loss.
6. Identify and read graphs.
7. Solve word problems. (Assignment Sheet 1)
8. Determine selling prices and discounts. (Assignment Sheet 2)
9. Figure profit and loss. (Assignment Sheet 3)
10. Calculate simple interest. (Assignment Sheet 4)
11. Reconcile a bank statement. (Assignment Sheet 5)

PREPARATION

- Order materials to supplement unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss the importance of basic math skills on the job.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed.

DELIVERY

Objectives 1 and 2

- Review each term used in the unit.

- Stress the importance of knowing basic math skills. Some students may need remediation of basic math skills.

Objective 3

- Use Handout 1 for a review of basic math operations.

- Use Handout 2 for practice on word problems.

- Have students complete Assignment Sheet 1.

Objective 4

- Stress the importance of knowing selling prices and discounts.

  NOTE: Students may be motivated by the fact that they need to know this when shopping.

- Use Assignment Sheet 2.

- Use Handout 3 for practice on figuring selling prices and discounts.

Objective 5

- Stress the importance of profits and losses in business.
- Use Assignment Sheet 3 to reinforce skills.

Objective 6

- Have students find and identify graphs in magazines or newspapers.

APPLICATION

Objective 7

- Have students complete Assignment Sheet 1 for practice in working word problems.

Objective 8

- Have students do Assignment Sheet 2 to give practice in figuring selling prices and discounts.

Objective 9

- Have students do Assignment Sheet 3 for practice in figuring profit and loss.

Objective 10

- Have students do Assignment Sheet 4 for practice in calculating simple interest.
- Use Supplement 1.

NOTE: An alternate method can be found in Unit 5.

Objective 11

- Have students do Assignment Sheet 5 for practice in reconciling a bank statement.
- Use Supplement 2.
- Use Transparency Masters 1 and 2.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.
- Give the written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

UNIT REFERENCES

- Miller, Charles D. and Vern E. Heeren. *Mathematical Ideas*, 5th ed. Glenview, Illinois: American River College, Scott Foresman and Company, 1969.
- Reeve, William D. and Clarence E. Tuites. *Practical Mathematics Refresher*. New York: McGraw Hill Book Company, Inc., 1955.

- Streeter, James and Gerald Alexander. *Basic Mathematical Skills.* 2d ed. New York: McGraw Hill Book Company, 1989.

PRETEST ANSWERS

CALCULATING BASIC MATH

II

OBJECTIVE 1

1. f
2. e
3. b
4. c

OBJECTIVE 2

1. b
2. e
3. f
4. d

OBJECTIVE 3

3, 4, 7, 6, 2, 1, 5

OBJECTIVE 4

1. price
2. percentage
3. multiply
4. round off
5. add

OBJECTIVE 5

The profit or loss of a company during a given time period is determined by the income and expenditures of the company. Determine the income and expenditures for a given amount of time. If income is larger than expenditures the company has made a profit. If expenditures are larger than income the company incurred a loss.

OBJECTIVE 6

Part A	Part B	Part C
1. b	1. $4.00	1. 120
2. d	2. 500	2. 200
3. a		
4. c		

HANDOUT 1

CALCULATING BASIC MATH

II

REVIEW OF BASIC MATH OPERATIONS

Addend + Addend = Sum	$4 + 2 = 6$
Minuend − Subtrahend = Difference	$9 - 6 = 3$
Factor × Factor = Product	$3 \times 2 = 6$
Dividend ÷ Divisor = Quotient	$9 \div 3 = 3$

Review of Fractions and Percents

Fraction Form: Numerator/Denominator or $\frac{\text{Numerator}}{\text{Denominator}}$

Addition of Fractions: Find common denominator and add numerators.

Multiplication of Fractions: Multiply numerators and multiply denominators and reduce if possible.

Division of Fractions: Invert divisor and multiply.

Subtraction of Fractions: Find a common denominator and subtract numerators.

Decimal Equivalent × 100 = Percent

Percent ÷ 100 = Decimal Equivalent

WORD PROBLEMS

DIRECTIONS

Solve the following word problems. For steps in solving word problems, see Information Sheet, Objective 3.

1. If overtime pay rate is 1½ times the regular pay rate, and any hours over 40 are considered overtime, figure the following gross pay.

   Employee 1 worked 45 hours at a rate of $4.50 per hour.

   Employee 2 worked 60 hours at a rate of $12.50 per hour.

2. If a person has $100.00 when entering a store, and he/she wants to buy as many pairs of jeans possible with this money, how many pairs of jeans can he/she buy if each pair costs $25.95 (Tax included)?

   How much change will be left?

3. If a person has $60.00 when entering a store and he/she buys a $13.00 shirt, a $25.99 pair of pants and a $2.65 pair of socks, how much change will be left?

4. If overtime pay rate is 1½ times the regular pay rate, and any hours over 40 are considered overtime, figure the following employee's pay.

John Doe
Hours: 63
Reg. Pay rate: $4.50 p/hr

Total Pay? __________

Jane Doe
Hours: 52
Reg. Pay rate: $6.00 p/hr

Total Pay? __________

HANDOUT 3

CALCULATING BASIC MATH

II

SELLING PRICES AND DISCOUNTS

DIRECTIONS Figure the following selling prices. Refer to Information Sheet, Objective 4, if needed.

	Wholesale Price	% Markup	Selling Price
1.	$20.00	5%	
2.	$59.00	6%	
3.	$45.00	40%	
4.	$63.00	55%	
5.	$37.00	11%	
6.	$40.00	15%	
7.	$35.00	75%	
8.	$58.35	25%	
9.	$90.00	35%	
10.	$12.50	60%	

DIRECTIONS Figure the following discounts.

	Selling Price	Discount	Sale Price
1.	$29.95	15%	
2.	$15.90	10%	
3.	$53.71	20%	
4.	$25.62	50%	
5.	$62.61	40%	
6.	$25.99	20%	
7.	$63.49	15%	
8.	$74.50	10%	
9.	$59.36	25%	
10.	$22.36	50%	

HANDOUT 4	CALCULATING BASIC MATH	II

SIMPLE INTEREST

DIRECTIONS

Given the following principle amounts, figure the simple interest for the time given. Refer to Supplement 1 if needed.

1. $200 at 9% for 6 months
2. $550 at 13% for 1 year
3. $600 at 11.5% for 9 months
4. $1000 at 6.5% for 1 year
5. $150 at 7% for 3 months

DIRECTIONS

Given the following information, figure the simple interest and the total amount paid (principle and interest).

6. $300.00 at 12% for 9 months
7. $500.00 at 6% for 1 year
8. $290.00 at 11% for 3 months
9. $150.00 at 13% for 6 months
10. $750.00 at 10% for 1 year

HANDOUT 5

CALCULATING BASIC MATH

II

PROFIT AND LOSS

DIRECTIONS

Calculate the profit or loss in the following problems. If needed, refer to Information Sheet, Objective 5.

Given the following monthly income and expenditures, determine the monthly profit or loss for the company.

1. TELE Company

   Expenditures: Rent: $742.00
   Utilities: $250.00
   Supplies: $9,451.53
   Salaries: $10,429.48

   Income: $30,000

   Did the company have a profit or a loss? ___________ Of how much? __________

2. If a certain item's retail cost is $45.82 and it is discounted 15%, what will its sale price be?

   If the retailer sells this item at the sale price, how much will he make if he paid $13.00 for the item wholesale?

3. Complete the following table. Denote profits by a + sign in front of the number and losses by a – sign in front of the number. To find total profit or loss, add all of the losses and add all of the profits. If the profits are larger, subtract the losses from the profits. If the losses are larger, subtract the profits from the losses.

Month	Expenditures	Income	Profit or Loss
January	$20,000.00	$19,000.00	
February	$35,000.00	$37,000.00	
March	$19,000.00	$46,000.00	
April	$42,000.00	$50,000.00	
May	$17,000.00	$25,000.00	

TOTAL PROFIT OR LOSS ____________

4. Given the following months and profits, construct a line graph for the company.

Month	Profit
Jan	$5000
Feb	7000
Mar	1000
Apr	4000
May	6000
Jun	2000

5. A. If a certain item's wholesale price is $30.00 and it is marked up 15%, what will be its selling price?

____

B. If this item is then put on sale at a discount of 10%, what will the sale price be? __________

C. How much profit did the retailer make on this item if the item is sold for the sale price? __________

DIRECTIONS

Given the following monthly income and expenditures, determine the monthly profit or loss for each company.

- ABC Company

Expenditures: Rent: $750.00
Utilities: $916.00
Supplies: $3000.00
Salaries: $15,000.00

Income: $20,000

Did the company have a profit or a loss? ________ Of how much? ________

HANDOUT 2

1. $213.75
   $875.00

2. 3 pairs
   $22.15

3. $18.36

4. $335.25
   $348.00

HANDOUT 3

	Selling Price		Discount Price
1.	$21	1.	$25.46
2.	$62.54	2.	$14.31
3.	$63	3.	$42.97
4.	$97.65	4.	$12.81
5.	$41.07	5.	$37.57
6.	$46.00	6.	$20.79
7.	$61.25	7.	$53.97
8.	$72.94	8.	$67.05
9.	$121.50	9.	$44.52
10.	$20.00	10.	$11.18

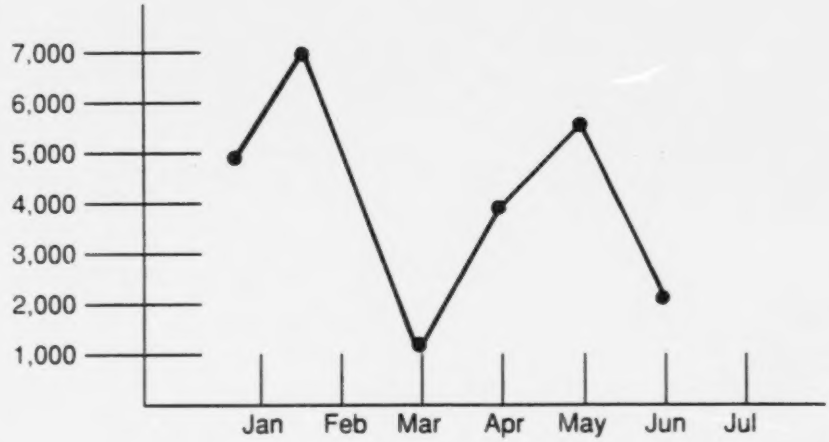
HANDOUT 4

1.	$9.00	
2.	$71.50	
3.	$51.75	
4.	$65	
5.	$2.63	
6.	$27	$327
7.	$30	$530
8.	$7.98	$297.98
9.	$9.75	$159.75
10.	$75	$825.00

HANDOUT 5

1. profit, $9126.99
2. $38.95, $25.95
3. Jan. — $1,000.00 loss
   Feb. — $2,000.00 profit
   Mar. — $27,000 profit
   Apr. — $8,000 profit
   May — $8,000 profit
   Total profit $44,000

4.



5. a. $34.50
   b. $31.05
   c. $1.05

6. profit, $334

PRETEST

CALCULATING BASIC MATH

II

NAME ______________________ SCORE ______

OBJECTIVE 1

Match terms associated with basic math functions to the correct definitions. Write the correct letters in the blanks.

______1. Numbers that are multiplied together

______2. 1/2, 1/3, 2/5

______3. Numbers that are added together

______4. 0, 1, 2, 3, 4.....

a. Difference

b. Addends

c. Whole numbers

d. Quotient

e. Fractions

f. Factors

OBJECTIVE 2

Match business math terms to the correct definitions. Write the correct letters in the blanks.

______1. Amount of money a business makes

______2. Original cost of an item plus markup

______3. The cost of an item to a business

______4. Interest paid on loan amount only

a. Markup

b. Profit

c. Bank statement

d. Simple interest

e. Selling price

f. Wholesale price

OBJECTIVE 3

Arrange in order steps to follow in solving word problems. Write a "1" in front of the first step, a "2" in front of the second step and so on.

______ Decide upon the operations to be used.

______ Write down the complete statement necessary to solve the problem.

______ Re-read the problem and check to make sure you have answered what the problem asked for.

______ Go back and check answers.

______ Re-read the problem to be sure that you understand it.

______ Read the problem carefully to study the given information and determine what you are asked to find.

______ Do the calculations.

OBJECTIVE 4

Complete statements about figuring selling price and discounts. Write the correct words in the blanks.

1. Determine the wholesale __________ of the item.
2. Determine the markup __________ and change this number to a decimal.
3. __________ the wholesale price by the decimal determined in step 2.
4. __________ the number in step 3 to two decimal places.
5. __________ the wholesale price and the markup to determine the selling price or retail cost.

OBJECTIVE 5

Discuss the procedure for figuring profit and loss.

____

____

____

OBJECTIVE 6 **Identify and read graphs.** Match the following names to the types of graphs.

PART A

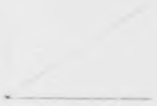
_____1. Pictograph

_____2. Bar Graph

_____3. Line Graph

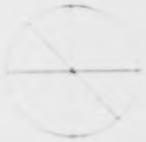
_____4. Circle Graph

a.

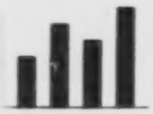


b.

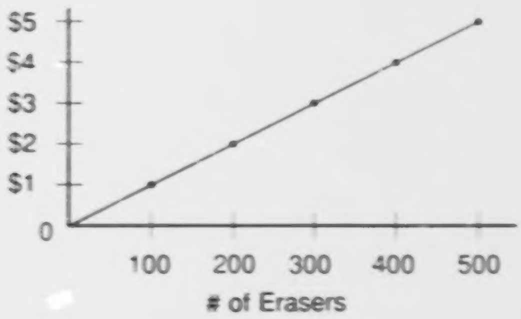
c.



d.



PART B Given the following graphs, answer the questions by reading the appropriate graph.



1. How much do 400 erasers cost? ____________

2. How many erasers do you get for $5.00? ___________

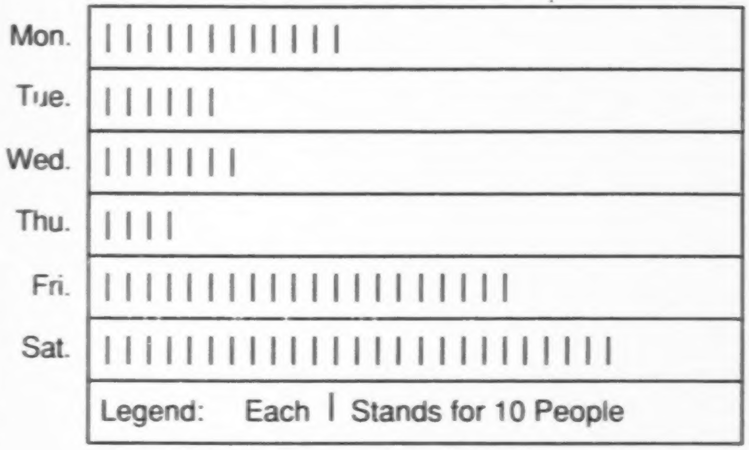
PART C

1. How many people attended the theatre on Monday night?

____

2. How many people attended the theatre on Friday night?

____



NOTICE

In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives.

OBJECTIVE 7	**Solve word problems.**	SCORE______
OBJECTIVE 8	**Determine selling prices and discounts.**	SCORE______
OBJECTIVE 9	**Figure profit and loss.**	SCORE______
OBJECTIVE 10	**Calculate simple interest.**	SCORE______
OBJECTIVE 11	**Reconcile a bank statement.**	SCORE______

INFORMATION SHEET

CALCULATING BASIC MATH

II

OBJECTIVE 1

Match terms associated with basic math functions to the correct definitions.

- **Addends** — Numbers that are added together to obtain a sum
- **Decimals** — Special fractions whose denominators are a multiple of 10 (10, 100, 1000, etc.) but are expressed as a number with a decimal point rather than as a fraction

  Examples: 1.3, 1.7, and 2.6 are decimals.
- **Dividend** — Number to be divided

  NOTE: Dividend ÷ Divisor = Quotient or Dividend/Divisor = Quotient
- **Divisor** — Number by which you divide
- **Factors** — Numbers that are multiplied to obtain a product
- **Fractions** — A number having a numerator and denominator which shows a part of something

  Example: 1/2 is a fraction. The 1 is the numerator and the 2 is the denominator.
- **Minuend** — Number from which another is being subtracted
- **Product** — Answer to a multiplication problem
- **Subtrahend** — Number which is being subtracted from a minuend

  NOTE: Minuend — Subtrahend = Difference
- **Whole numbers** — Any number greater than or equal to 0 which does not contain a fractional part

  Examples: 0, 1, 2, 3, 4

OBJECTIVE 2

Match business math terms to the correct definitions.

- **Annual Percentage Rate** — A percentage used to figure interest on a loan based on 1 year
- **Average** — The value arrived at by adding several quantities together and dividing the total by the number of quantities
- **Bank Statement** — A written document issued by the bank showing all transactions occurring in a checking account; usually issued once a month
- **Calendar Measure** — In computing interest, the standard of 12 months, each with 30 days, is used giving 360 days in all rather than the traditional 365 days
- **Compound Interest** — Interest paid on the original loan amount and the interest that has been added to it
- **Circle Graphs (Pie Graphs)** — Graphs which use fractional parts or percentages of a circle to represent numbers
- **Discount** — A percentage taken away from the retail cost in order to put an item on sale
- **Gross Income** — The total income of a company in a given time before expenses are deducted
- **Loss** — The amount of money a business loses in a given time

  NOTE: More expenses than income = a loss.

- **Markup** — The amount that will be added to the wholesale price to get the selling price, usually expressed as a percentage
- **Net Income** — The income of a company in a given time after expenses have been deducted
- **Profit (Net Profit)** — The amount of money a business makes in a given time over and above the cost of earning the money

  NOTE: Income which is more than expenses results in a profit.

- **Retail Cost** — The price that a consumer pays for an item; also known as the selling price
- **Selling Price** — The original cost of an item (wholesale price) plus the markup
- **Simple Interest** — Interest paid only on the original loan amount and not on interest that is compounded
- **Wholesale Price** — The cost of an item to the business

OBJECTIVE 3

Arrange in order steps to follow in solving word problems.

Steps to follow in solving word problems:

1. Read the problem carefully to study the given information and determine what you are asked to find.
2. Re-read the problem to be sure that you understand it.
3. Decide upon the operations to be used.
4. Write down the complete statement necessary to solve the problem.
5. Do the calculations.
6. Go back and check answers.
7. Re-read the problem and check to make sure you have answered what the problem asked for.

OBJECTIVE 4

Complete statements about figuring selling price and discounts.

Steps to figure selling prices:

1. Determine the **wholesale** price of the item.
2. Determine the **markup** percentage and change this number to a decimal.

   NOTE: 25% = 0.25.

3. Multiply the wholesale price by the **decimal** determined in step 2.

4. Round off number in step 3 to **two** decimal places. This is the markup.

5. Add the wholesale price and the markup to determine the **selling price** or retail cost.

Steps to figure discounts:

1. Determine the **retail** cost (selling price) of the item to be discounted.

2. Determine the **percentage** of the discount. Change this number to a decimal.

3. Multiply retail cost by the decimal determined in step 2. Round to two decimal places. This is your **discount**.

4. Subtract the discount from the retail cost. This is your **sale price**.

   NOTE: Retail Cost – Discount = Sale Price

OBJECTIVE 5 **Discuss the procedure for figuring profit and loss.**

The profit or loss of a company during a given time period is determined by the income and expenditures of the company. Determine the income and expenditures for a given amount of time. If income is larger than expenditures the company has made a profit. If expenditures are larger than income the company incurred a loss.

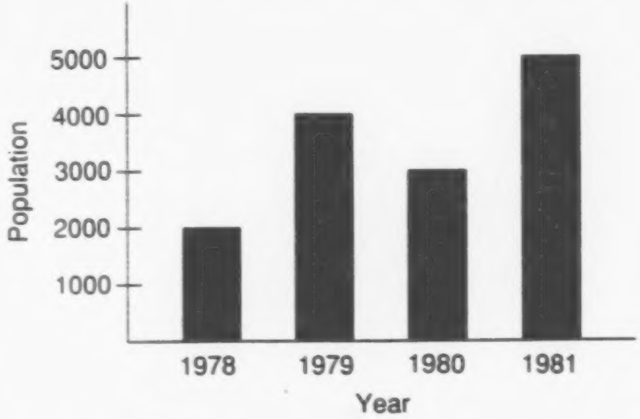
OBJECTIVE 6

Identify and read graphs.

Types of graphs and the steps to follow to read each:

- **Bar Graphs** — Use bars to represent relations between numbers.

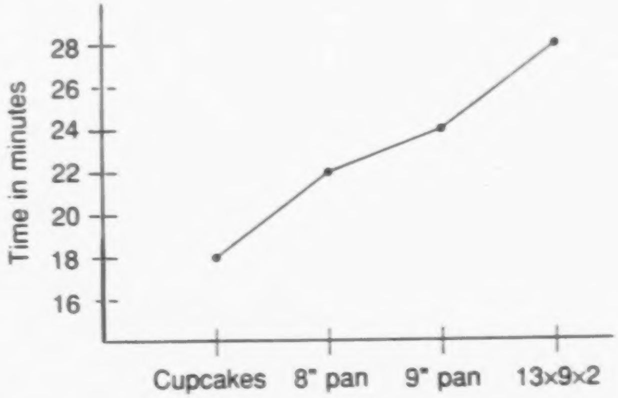
EXAMPLE: Population of a town each year



To read: Slide finger from top of bar across to numbers.

EXAMPLE: The population in 1981 was 5000 people.

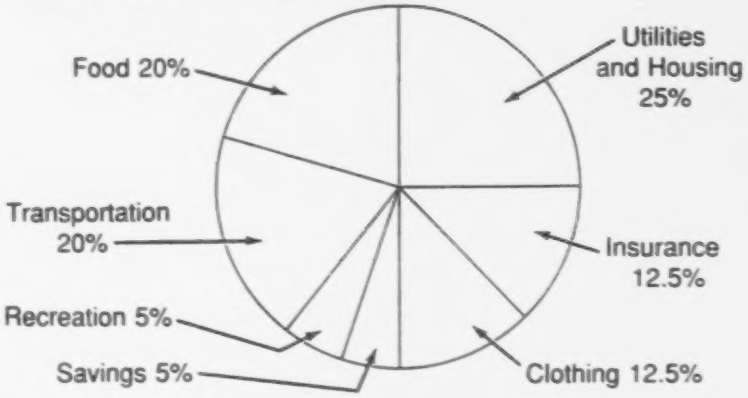
- **Line Graphs** — Use lines to represent relationships between numbers



To read: Slide one finger down from point to numbers and slide one finger across from point to numbers to determine the relationships of information.

EXAMPLE: Cupcakes take about 18 minutes to bake.

- **Circle Graphs** — Use fractional parts of percentages of a circle to represent numbers; usually used to show how money was spent, such as with a budget.



To read: Read percentage given in each "piece" of the pie.

EXAMPLE: In this budget, food takes about 20% of the budget.

- **Pictographs** — Use pictures to represent numbers. Usually used to show sales of a certain item or number of people.

	Legend	△ Represents 3 Apples ○ Represents 5 Oranges
Mon.	△△△△△△△ ○○○○○○○○○	
Tue.	△△△△△ ○○○○	
Wed.	△△△△△△△ ○○○○○○○	
Thu.	△△△ ○○○○○○	
Fri.	△△△△△△△△△△ ○○○○○○○○○○○○○	
Sat.	△△△△△△△△△△△△△△△△△△△△ ○○○○○○○○○	

To read: (1) You must first read the Legend (Key) to determine what each figure stands for. (2) Multiply how many each figure stands for by the number of figures.

NOTE:	# of apples sold	# of oranges sold
Monday	21	45
Tuesday	15	20
Wednesday	21	35
Thursday	9	30
Friday	30	65
Saturday	60	45
TOTALS	156	240

STEPS TO FIND SIMPLE INTEREST

1. Determine the principle amount.
2. Determine the interest rate (APR).
3. Determine the amount of time to apply the interest.
4. Find the percentage of one year. Change this number to a decimal equivalent.

   EXAMPLES: 1 year = 100% = 1.0
   9 months = 75% = .75
   6 months = 50% = .50
   3 months = 25% = .25

5. Change the interest rate to a decimal.

   EXAMPLE: 11% = .11

6. Multiply the decimal by the decimal interest rate. This is the interest rate for the time given.

   EXAMPLE:
   .75 = 9 months time
   ×.11 = interest rate
   75
   75
   .0825 interest rate for 9 months at 11%

7. Multiply the principle amount by the interest rate determined in step 6 to find the simple interest.

   $ 200 Principle
   ×.0825 11% interest for 9 months
   1000
   400
   1600
   16.5000 11% interest for 9 months for $200.00

8. To find the total amount the borrower will have to pay, add principal amount and simple interest figured in step 7.

$200.00	principle
+ 16.50	interest
$216.50	

STEPS IN RECONCILING A BANK STATEMENT WITH A CHECK REGISTER

INTRODUCTION

Most financial institutions regularly send customers statements of their accounts. The checking account statement lists checks received and processed by the bank along with dates of these transactions; deposits made through tellers and the dates of the deposits; amounts, dates and locations of automated teller machine (ATM) transactions; service charges; and interest earned. Some financial institutions return canceled checks to the customers with their bank statements. Other banks make copies of canceled checks for safekeeping and then destroy the original checks. Copies of the canceled checks may be obtained from the bank for a fee.

In reconciling a bank statement, an account holder will compare the monthly statement to his or her check register—making sure checks, deposits, service charges, other charges, automated teller machine (ATM) withdrawals and deposits, and balances in the statement and register match. To minimize the amount of time and effort needed to reconcile a bank statement, the account holder should proceed with the following steps soon after the bank statement arrives in the mail:

The following are examples for reconciling a check register and bank statement.

NOTE: The numbers on the sample check register and statement correspond to these directions.

1. Record service charge and any other automatic deductions.

   EXAMPLE: ATM machines

2. Mark in register the checks which have cleared the bank.
3. Write balance from the front of the bank statement on the line of the back of the statement labeled "Bank Balance Shown on this Statement."
4. In the space provided for outstanding checks, write the numbers and amounts of checks which have not cleared the bank.

5. Record deposits that were made after the bank statement was printed. Use the line marked "Add Deposits not Credited."

6. Add balance and deposits.

7. Enter outstanding check amount.

8. Subtract checks outstanding. This number should agree with your checkbook balance.

9. If the balances differ, go back and check math in your checkbook and on the bank statement. If you cannot find the error, report the discrepancy to your bank.

CHECK REGISTER

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT(-)	✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)	BALANCE
							$167 15
115	2/10	Tans-r-Us	18 00	✓			149 15
116	2/12	Pizza Plus	6 79	✓			142 36
	2/15	Deposit		✓		55 00	197 36
117	2/16	Tapes Galore	10 19				187 17
118	2/20	Movie Madness	7 55	✓			179 62
	2/23	Deposit		✓		20 25	199 87
119	2/25	Athletes, Inc.	15 00	✓			184 87
120	2/26	Deposit				12 00	196 87
		Service Charge	15 00	✓			181 87

BEST COPY AVAILABLE

BANK STATEMENT - (Front bottom part)

	Service Charge 15.00 SC				Balance 180.06

PLEASE EXAMINE STATEMENT OF ACCOUNT AND VOUCHERS AT ONCE
IF NO ERROR IS REPORTED IN TEN DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT

BANK STATEMENT (Back)

STATEMENT RECONCILIATION

THIS FORM IS PROVIDED TO HELP YOU BALANCE YOUR CHECKBOOK

PERIOD
FROM 1-30 TO 2-30 , 19 95

STEP 1
Subtract the service charge shown on this statement from your current checkbook balance to arrive at your NEW CHECKBOOK BALANCE.

STEP 2
Remember to record any preauthorized or automatic transactions in your register.

STEP 3
Add the monthly interest paid to your balance on your register.

STEP 4
Check off in your checkbook all checks and deposits shown on this statement. IN THE SPACE PROVIDED AT RIGHT, LIST ANY CHECKS OUTSTANDING.

STEP 5
Complete the following to balance this statement to your new checkbook balance:

BANK BALANCE SHOWN ON THIS STATEMENT	$	180.06
ADD DEPOSITS NOT CREDITED (if any)	+	12.00
SUBTOTAL	=	192.06
SUBTRACT CHECKS OUTSTANDING (if any)	−	10.19
TOTAL	=	181.87

*Total above should agree with your new checkbook balance.

LIST CHECKS OUTSTANDING	
117	10.19
TOTAL	$ 10.19

TM 1

CHECK REGISTER

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT(-)	✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)	BALANCE
							$

BANK STATEMENT (Back)

STATEMENT RECONCILIATION

THIS FORM IS PROVIDED TO HELP YOU BALANCE YOUR CHECKBOOK

PERIOD
FROM ______ **TO** ______, 19__

STEP 1
Subtract the service charge shown on this statement from your current checkbook balance to arrive at your NEW CHECKBOOK BALANCE.

STEP 2
Remember to record any preauthorized or automatic transactions in your register.

STEP 3
Add the monthly interest paid to your balance on your register.

STEP 4
Check off in your checkbook all checks and deposits shown on this statement. IN THE SPACE PROVIDED AT RIGHT. LIST ANY CHECKS OUTSTANDING.

STEP 5
Complete the following to balance this statement to your new checkbook balance:

BANK BALANCE SHOWN ON THIS STATEMENT $__________
ADD DEPOSITS NOT CREDITED (if any) +__________
SUBTOTAL =__________
SUBTRACT CHECKS OUTSTANDING (if any) –__________
TOTAL =__________

*Total above should agree with your new checkbook balance

LIST CHECKS OUTSTANDING	
TOTAL	$

ASSIGNMENT SHEET 1

CALCULATING BASIC MATH

NAME ______________________________ SCORE ________

OBJECTIVE 7 **Solve word problems.**

DIRECTIONS In the following scenarios, choose from the list the characteristics that are demonstrated. Choose from the following:

Operation and Calculation Skills
- Calculate with whole numbers
- Calculate with fractions
- Calculate with decimals

Math Application Skills
- Solve word problems

1. If anything over 40 hours is considered overtime pay, and overtime pay is 1½ times that of regular pay, figure the following employees' weekly gross pay.

   a. Joe worked 42 hours at a rate of $7.00 per hour.

   b. Jane worked 35 hours at a rate of $3.35 per hour.

   c. Charles worked 62 hours at a rate of $5.50 per hour.

   d. Christine worked 49 hours at a rate of $6.50 per hour.

2. If a student buys the following school supplies, how much will he/she have left from $50.00? Drawing pad — $8.65, Pencils — $2.33, Notebook Paper — $3.00, Pens — $5.28, and Markers — $3.62.

3. If a painting job requires 5 gallons of paint, and the painter already has some partial cans of paint (1/2 gallon, 1/4 gallon, 3/4 gallon, and 1/8 gallon), how many more full gallons of paint will he have to buy to make sure that he has at least 5 gallons?

4. If the Federal Tax Rate is 20% of a person's gross income, figure the following tax to withhold out of each employee's pay and each person's net income.

   NOTE: Gross pay is pay before taxes are deducted. Net pay is pay after taxes are deducted, also known as Take Home Pay.

   a. Jeff's gross pay for one week is $552.89.

      Taxes? __________ Net Pay? __________

   b. Janet's gross pay for one month is $1600.35.

      Taxes? __________ Net Pay? __________

   c. Jamie's gross pay for two weeks is $991.54.

      Taxes? __________ Net Pay? __________

5. If a mixture calls for 3/4 cup of an ingredient, how much would you use if you were doubling the mixture?

ASSIGNMENT SHEET 2

CALCULATING BASIC MATH

II

NAME ______________________ SCORE ______

OBJECTIVE 8 **Determine selling prices and discounts.**

DIRECTIONS Given the following wholesale prices and the percentage markup, figure the selling price of the item.

Functional Math Skills
- Calculate interest
- Solve interest problems

	WHOLESALE PRICE	PERCENTAGE MARKUP	SELLING PRICE
1.	$20.00	5%	________
2.	$ 9.00	3%	________
3.	$20.00	30%	________
4.	$ 5.00	20%	________
5.	$45.00	10%	________
6.	$66.00	11%	________
7.	$92.00	20%	________
8.	$360.00	30%	________
9.	$75.00	15%	________
10.	$26.00	30%	________
11.	$97.00	13%	________
12.	$84.00	4%	________
13.	$73.00	25%	________
14.	$49.00	19%	________
15.	$27.00	17%	________
16.	$36.00	25%	________

17.	$92.00	7%	________
18.	$44.00	10%	________
19.	$53.00	60%	________
20.	$ 0.25	50%	________

DIRECTIONS Given the following retail prices and percent of discount, determine the final sale price.

	RETAIL PRICE	DISCOUNT	SALE PRICE
1.	$23.99	25%	________
2.	$45.63	15%	________
3.	$56.79	5%	________
4.	$39.99	40%	________
5.	$165.50	55%	________
6.	$435.60	35%	________
7.	$11.36	33⅓%	________
8.	$1046.99	50%	________
9.	$33.89	25%	________
10.	$46.50	10%	________
11.	$47.95	15%	________
12.	$ 5.41	12%	________
13.	$634.76	14%	________
14.	$789.49	30%	________
15.	$ 49.99	20%	________

ASSIGNMENT SHEET 3

CALCULATING BASIC MATH

II

NAME ______________________ SCORE ________

OBJECTIVE 9 **Figure profit and loss.**

DIRECTIONS Given the following monthly income and expenditures of a company, determine the monthly profit or loss for each company.

Math Application Skills
- Solve word problems

Functional Math Skills
- Calculate gross earnings

1. DCA Company

Expenditures: Rent: $500.00
Electricity: $135.00
Water: $40.00
Salaries: $1600.00
Wholesale Supplies: $2000.00

Income: $5,550.36

Did DCA Company make a profit or incur a loss? __________
Of how much? ________________

2. TREE Company

Expenditures: Rent: $350.00
Water: $100.00
Trees: $650.00
Potting Soil: $200.00
Salaries: $2000.00
Equipment: $200.00

Income: $25,000.00

Did TREE Company make a profit or incur a loss?
___________ Of how much? ___________

3. COPY Company

Expenditures: Rent: $750.00
Electricity: $200.00
Water: $60.00
Paper: $2000.00
Toner and Ink: $550.00
Salaries: $8,000.00

Income: $57,983.26

Did the COPY Company make a profit or incur a loss?
_______________ Of how much? _________________

4. BOOK Company

Expenditures: Building Payment: $1,350.67
Electricity: $5,000.00
Other Utilities: $2500.00
Paper: $10,000.00
Binding Supplies: $6,000.00
Contracts with Writers: $15,000.00

Income: $27,000.00

Did BOOK Company make a profit or incur a loss?
__________ Of how much? _____________

5. CAR Company

Expenditures: Building Payment: $4,361.38
Utilities: $465.00
Wholesale Cost of Vehicles: $100,825.52
Oil and Parts for Shop: $4,621.83
Salaries: $9,500.42

Income: $220,417.32

Did CAR Company make a profit or incur a loss?
_____________ Of how much? ______________

ASSIGNMENT SHEET 4

CALCULATING BASIC MATH

II

NAME ______________________________

OBJECTIVE 10 **Calculate simple interest.**

DIRECTIONS Given the following principles and the annual percentage rate, figure the simple interest for the time given.

Functional Math Skills
- Calculate interest
- Solve interest problems

	SIMPLE INTEREST ON LOAN	TOTAL PAID
1. $1,000 at 6% for 1 year		
2. $2500 at 12% for 1 year		
3. $390 at 10% for 1 year		
4. $400 at 11% for 1 year		
5. $10,000 at 7% for 9 months		
6. $200 at 2.5% for 6 months		
7. $500 at 9% for 3 months		
8. $3600 at 11% for 1 year		
9. $1500 at 5% for 9 months		
10. $1300 at 8% for 3 months		
11. $650 at 8% for 6 months		
12. $450 at 5% for 3 months		
13. $660 at 10% for 9 months		
14. $1000 at 15% for 6 months		
15. $2500 at 16% for 1 year		

ASSIGNMENT SHEET 5

CALCULATING BASIC MATH

II

NAME ______________________________ SCORE ________

OBJECTIVE 11

Reconcile a bank statement.

INTRODUCTION

Most banks send each checking account holder a monthly bank statement. The statement will tell the account holder how much money that person has in his or her checking account on the date the bank statement was issued. An account holder should make sure his or her check register balance agrees with what the bank statement says is in the person's checking account. An account holder does this by reconciling the bank statement every month. If an account holder has a problem balancing the account, people at the bank can help answer questions.

DIRECTIONS

Reconcile the following checkbook register with the given bank statement. For help, refer to Supplement 2, "Steps in Reconciling a Bank Statement with a Check Register."

Functional Math Skills
- Perform banking transactions

Functional Social Studies Skills
- Practice responsible personal economics

BANK STATEMENT - (Lower edge)

	Service Charge 15.00 SC				Balance 184.00

PLEASE EXAMINE STATEMENT OF ACCOUNT AND VOUCHERS AT ONCE
IF NO ERROR IS REPORTED IN TEN DAYS THE ACCOUNT WILL BE CONSIDERED CORRECT

CHECK REGISTER

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT(-)	✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)	BALANCE
							$219 00
225	1/8	Rackets, Inc.	25 00	✓			194 00
226	1/10	Co. Cafeteria	15 00	✓			179 00
	1/10	Deposit		✓		50 00	229 00
227	1/12	Hairport	13 00				216 00
	1/13	ATM Withdrawal	20 00	✓			196 00
228	1/15	Big Club Grocery	10 00	✓			186 00
	1/16	Deposit				25 00	211 00
229		Double A Cafe	10 00				201 00
		Service Charge	15 00	✓			186 00
		January					

BANK STATEMENT
(Back)

STATEMENT RECONCILIATION

THIS FORM IS PROVIDED TO HELP YOU BALANCE YOUR CHECKBOOK

PERIOD
FROM _______ **TO** _______, **19**___

STEP 1
Subtract the service charge shown on this statement from your current checkbook balance to arrive at your NEW CHECKBOOK BALANCE.

STEP 2
Remember to record any preauthorized or automatic transactions in your register.

STEP 3
Add the monthly interest paid to your balance on your register.

STEP 4
Check off in your checkbook all checks and deposits shown on this statement. IN THE SPACE PROVIDED AT RIGHT, LIST ANY CHECKS OUTSTANDING.

STEP 5
Complete the following to balance this statement to your new checkbook balance:

BANK BALANCE SHOWN ON THIS STATEMENT $___________

ADD DEPOSITS NOT CREDITED (if any) +___________

SUBTOTAL =___________

SUBTRACT CHECKS OUTSTANDING (if any) −___________

TOTAL =___________

*Total above should agree with your new checkbook balance.

LIST CHECKS OUTSTANDING	
TOTAL	$

OBJECTIVE 7

1. a. $301
   b. $117.25
   c. $401.50
   d. $347.75

2. $27.12

3. 4 gallons (You cannot purchase partial gallons of paint.)

4. a. Taxes $110.58 Net Pay $442.31
   b. Taxes $320.07 Net Pay $1280.28
   c. Taxes $198.31 Net Pay $793.23

5. 1½ cups

OBJECTIVE 8

1. $21.00
2. $9.27
3. $26.00
4. $6.00
5. $49.50
6. $73.26
7. $110.40
8. $468.00
9. $86.25
10. $33.80
11. $109.61
12. $87.36
13. $91.25
14. $58.31
15. $31.59
16. $45.00
17. $98.44
18. $48.40
19. $84.80
20. $ .38

1. $17.99
2. $38.79
3. $53.95
4. $23.99
5. $74.48
6. $283.14
7. $7.58
8. $523.50
9. $25.42
10. $41.85
11. $40.76
12. $4.76
13. $545.89
14. $552.64
15. $39.99

OBJECTIVE 9

1. profit; $1275.36
2. profit; $21,500
3. profit; $46,423.26
4. loss; $12,850.67
5. profit; $100,643.17

OBJECTIVE 10

1. $60; $1060.00
2. $300; $2800.00
3. $39; $429.00
4. $44; $444.00
5. $525; $10,525.00
6. $2.50; $202.50
7. $11.25; $511.25
8. $396.00; $3996.00
9. $56.25; $1556.25
10. $26.00; $1326.00
11. $26.00; $676.00
12. $5.63; $455.63
13. $49.50; $709.50
14. $75.00; $1075.00
15. $400; $2900.00

ASSIGNMENT SHEET 5

BANK STATEMENT
(Back)

STATEMENT RECONCILIATION

THIS FORM IS PROVIDED TO HELP YOU BALANCE YOUR CHECKBOOK

PERIOD
FROM 12-30 **TO** 1-30, 19 91

STEP 1
Subtract the service charge shown on this statement from your current checkbook balance to arrive at your NEW CHECKBOOK BALANCE.

STEP 2
Remember to record any preauthorized or automatic transactions in your register.

STEP 3
Add the monthly interest paid to your balance on your register.

STEP 4
Check off in your checkbook all checks and deposits shown on this statement. IN THE SPACE PROVIDED AT RIGHT, LIST ANY CHECKS OUTSTANDING.

STEP 5
Complete the following to balance this statement to your new checkbook balance:

BANK BALANCE SHOWN ON THIS STATEMENT $ 184.00
ADD DEPOSITS NOT CREDITED (if any) + 25.00
SUBTOTAL = 209.00
SUBTRACT CHECKS OUTSTANDING (if any) − 23.00
TOTAL = 186.00

*Total above should agree with your new checkbook balance

LIST CHECKS OUTSTANDING	
227	13.00
229	10.00
TOTAL	$ 23.00

WRITTEN TEST

CALCULATING BASIC MATH

II

Name ________________________________ Score ____________

OBJECTIVE 1

Match terms associated with basic math functions to the correct definitions. Write the correct letters in the blanks.

______1. Number to be divided

______2. Any number greater than or equal to 0 which does not contain a fractional part

______3. Number by which you divide

______4. A number having a numerator and denominator which shows a part of something

______5. Numbers that are multiplied to obtain a product

______6. Special fractions whose denominators are a multiple of 10

______7. Number which is being subtracted from a minuend

______8. Numbers that are added together to obtain a sum

______9. Answer to a multiplication problem

a. Factors

b. Total

c. Divisor

d. Dividend

e. Minuend

f. Product

g. Whole numbers

h. Percent

i. Subtrahend

j. Addends

k. Fractions

l. Decimals

OBJECTIVE 2

Match business math terms to the correct definitions. Write the correct letters in the blanks.

______1. In computing interest, the standard of 12 months, each with 30 days, is used giving 360 days in all rather than the traditional 365 days

______2. The amount of money a business makes in a given time over and above the cost of earning the money

______3. The amount of money a business loses in a given time

______4. The total income of a company in a given time before expenses are deducted

______5. The income of a company in a given time after expenses have been deducted

______6. The original cost of an item plus the markup

______7. The price that a consumer pays for an item

______8. The cost of an item to the business

______9. The amount that will be added to the wholesale price to get the selling price, usually expressed as a percentage

______10. A percentage taken away from the retail cost in order to put an item on sale

______11. A percentage used to figure interest on a loan based on 1 year

a. Annual Percentage Rate

b. Average

c. Bank statement

d. Calendar measure

e. Calculator

f. Discount

g. Compound interest

h. Gross income

i. Loss

j. Markup

k. Net income

l. Numerical

m. Numerator

n. Profit

o. Retail cost

p. Selling price

q. Simple interest

r. Wholesale price

______12. Interest paid only on the original loan amount and not on interest that is compounded

______13. Interest paid on the original loan amount and the interest which has been added to it

______14. The value arrived at by adding several quantities together and dividing the total by the number of quantities

______15. A written document issued by the bank showing all transactions occurring in a checking account; usually issued once a month

OBJECTIVE 3

Arrange in order steps to follow in solving word problems. Write a "1" in front of the first step, a "2" in front of the second step, and so on.

______ Re-read the problem and check to make sure you have answered what the problem asked for.

______ Write down the complete statement necessary to solve the problem.

______ Read the problem carefully to study the given information and determine what you are asked to find.

______ Go back and check answers.

______ Decide upon the operations to be used.

______ Re-read the problem to be sure you understand it.

______ Do the calculations.

OBJECTIVE 4 **Complete statements about figuring selling price and discounts.** Write the correct words in the blanks.

Selling Prices:

1. Determine the __________ part of the price.
2. Determine the __________ percentage and change this number to a decimal.
3. Multiply the wholesale price by the __________ determined in step 2.
4. Round off number in step 3 to __________ decimal places.
5. Add the wholesale price and the markup to determine the __________ or retail cost.

Discounts:

1. Determine the __________ cost (selling price) of the item to be discounted.
2. Determine the __________ of the discount.
3. Multiply retail cost by the decimal determined in step 2. Round to two decimal places. This is your __________.
4. Subtract the discount from the retail cost. This is your __________.

OBJECTIVE 5 **Discuss the procedure for figuring profit and loss.**

____

____

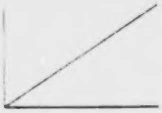
____

____

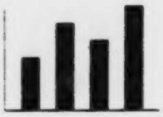
____

OBJECTIVE 6 **Identify and read graphs.**

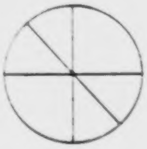
Part A Under each graph, write the type of graph.



1.__________



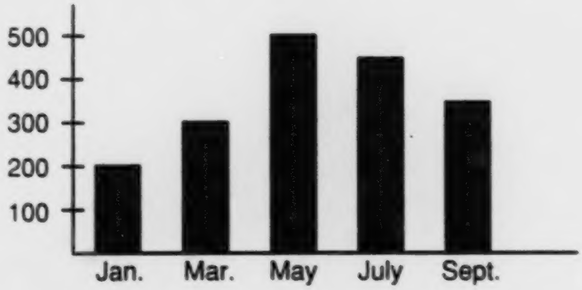
2.__________



3.__________

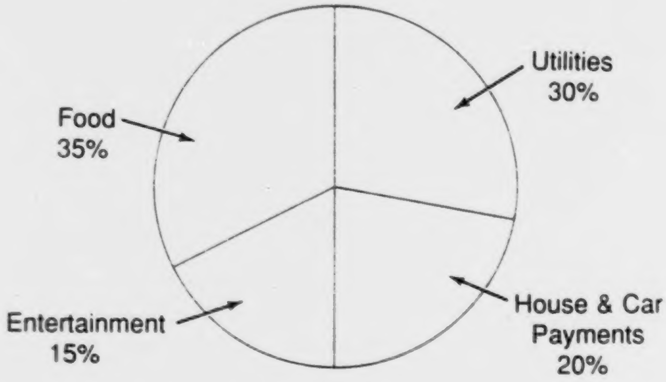
DIRECTIONS **Read all types of graphs.** Answer the set of questions following each graph.

Part B



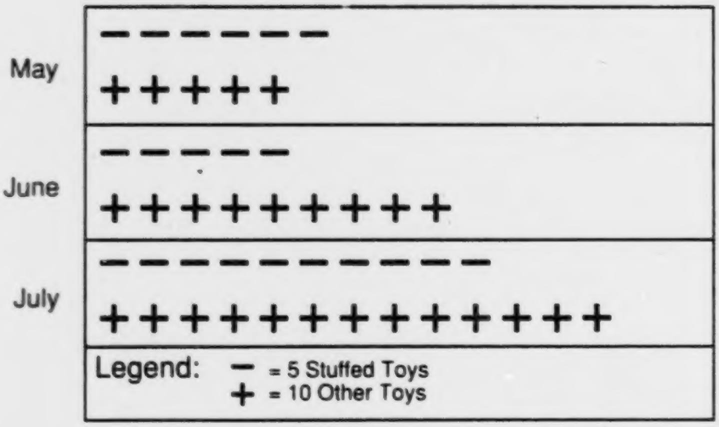
1. How many people attended the museum in July? ________
2. How many people attended the museum in January? ________
3. Which month had the most people attending the museum? ___
4. Which month had the least people attending the museum? ___

Part C



1. What percentage of the budget is used for food? ________
2. What percentage of the budget is used for utilities? ________
3. What expense takes the largest percentage of the income every month? ____________________
4. What expense takes the smallest percentage of the income every month? ____________________

Part D



1. How many stuffed toys were sold in May? ____________

2. How many toys in all were sold in June? ____________

3. How many other toys were sold in July? ____________

4. How many stuffed toys were sold in both May and June? ____

NOTICE The following assignment sheets are not a part of the written test. If these assignments have not been completed, check with the instructor.

OBJECTIVE 7	**Solve word problems.**	SCORE______
OBJECTIVE 8	**Determine selling prices and discounts.**	SCORE______
OBJECTIVE 9	**Figure profit and loss.**	SCORE______
OBJECTIVE 10	**Calculate simple interest.**	SCORE______
OBJECTIVE 11	**Reconcile a bank statement.**	SCORE______

WRITTEN TEST ANSWERS

CALCULATING BASIC MATH

OBJECTIVE 1

1. d
2. g
3. c
4. k
5. a
6. l
7. i
8. j
9. f

OBJECTIVE 2

1. d
2. n
3. i
4. h
5. k
6. p
7. o
8. r
9. j
10. f
11. a
12. q
13. g
14. b
15. c

OBJECTIVE 3

7, 4, 1, 6, 3, 2, 5

OBJECTIVE 4

1. wholesale
2. markup
3. decimal
4. two
5. selling price

1. retail
2. percentage
3. discount
4. sale price

OBJECTIVE 5

Answers should include:

The profit or loss of a company during a given time period is determined by the income and expenditures of the company. Determine the income and expenditures for a given amount of time. If income is larger than expenditures the company has made a profit. If expenditures are larger than income the company incurred a loss.

OBJECTIVE 6

PART A
1. Line graph
2. Bar graph
3. Circle graph

PART B
1. 450
2. 200
3. May
4. January

PART C
1. 35%
2. 30%
3. Food
4. Entertainment

PART D
1. 30
2. 115
3. 130
4. 55

OBJECTIVES 7 THROUGH 11

Refer to answers to Assignment Sheets 1 through 5.

OBJECTIVE SHEET

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE III

INTRODUCTION

Once you get a job in the work force you need to know what your employer expects of you and the rights you have as an employee in our free enterprise system. Workers through physical and mental effort turn land and other natural resources into goods and services. As an employee you will be working with labor and management. They will be assessing your skills and productivity.

Women, minorities, and immigrants will account for 80 percent of the additions to the labor force between now and the year 2000. As many as 90 percent of the new jobs in 1995 will be service oriented; less than 10 percent will be in manufacturing. Conditions are changing rapidly. This unit discusses how labor regulations affect wages, working conditions, and procedures for handling disagreements.

UNIT OBJECTIVE

After completing this unit, the student should be able to describe how wages are affected by labor regulations and how the government protects employees. The student will demonstrate this competency by completing an assignment sheet and written test with a minimum of 85 percent accuracy.

PREREQUISITES:

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with legal awareness to their correct definitions.
2. Describe how a labor contract becomes legal.
3. Explain the difference between an open shop and a closed shop.
4. List benefits of the Fair Labor Standards Act (FLSA) to the employee.
5. Explain the basic wage standard and overtime rate per work week.
6. State who enforces the Fair Labor Standards Act.
7. Select from a list who may be paid less than minimum wage.

8. Select from a list how an employee may recover back wages.

9. Match terms associated with labor laws to their correct descriptions.

10. Select from a list characteristics of Workers' Compensation.

11. Match four classes of disabilities of Workers' Compensation to their correct descriptions.

12. Explain the purpose of the Equal Employment Opportunity Commission.

13. Match Equal Employment Opportunity Laws to their correct descriptions.

14. Analyze discrimination problems. (Assignment Sheet 1)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.
- Plan additional tasks to be covered in classroom presentations.
- Invite guest speakers to discuss laws which directly affect workers.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed for the unit.

DELIVERY

Objective 1

- Discuss terms for the unit.
- Develop a bulletin board display illustrating "Equal Opportunity is the Law," with articles.
- Use Transparency Master 1, "Equal Employment Opportunity Law."

Objectives 2 and 3

- Have students compose a list of unions in their area and the trades they represent.

Objectives 4-7

- Obtain pamphlets from the Wage and Hour Division of the Department of Labor about the Fair Labor Standards Act and distribute to students.
- Use Transparency Master 2 and 3, "Federal Minimum Wage," and "State Minimum Wage."

- Ask students to prepare summaries of newspaper clippings of labor regulations, Workers' Compensation, union news, strikes, and collective bargaining.

- Ask a representative from the Department of Labor to speak to the class on Fair Labor Standards.

- Discuss *The Fair Labor Standards Act of 1938, as amended.*

- Discuss *Overtime Compensation Under the Fair Labor Standards Act.*

- Have students read and discuss *Employment Relationships Under the Fair Labor Standards Act.*

- Hand out and discuss *Employment of Full-time Students at Subminimum Wages under the Fair Labor Standards Act.*

Objectives 8 and 9

- Discuss labor laws with students.

- Invite an employee from a large community-based industry to speak to the class about how they deal with federal and state regulations.

- Use Transparency Master 4, "Employee Polygraph Protection Act."

- Use Transparency Master 5, "Job Safety and Health Protection."

Objectives 10 and 11

- Invite a commissioner from the State Department of Labor to speak on Workers' Compensation.

- Obtain pamphlets on Workers' Compensation.

  NOTE: See suggested resources for information on ordering pamphlets.

- Use Handouts 1, 2 and 3, "Workers' Compensation Court Forms 3, 3a, 3b," as examples of forms used by the Workers' Compensation Court.

- Discuss with students the *Handbook of the Workers' Compensation Court, State of Oklahoma.*
- Have students do the activities in the *Workman's Compensation, Occupational Work Experience* workbook.
- Hand out and discuss *State of Oklahoma Workers' Compensation, Questions and Answers.*

Objectives 12 and 13

- Discuss *Affirmative Action to Employ Disabled Veterans and Veterans of the Vietnam Era.* A pocket guide to the regulations of the affirmative action requirements of Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93-508).
- Discuss the information in *Affirmative Action for Equal Opportunity.*

APPLICATION

Objective 14

- If not assigned earlier, have students complete Assignment Sheet 1.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in the unit or create supplementary materials for individual students as required.

Written test

- Explain to students that on the written test they will be asked to demonstrate actions listed in the specific objectives.

- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activity if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Audiovisual Materials

- *Succeeding in the World of Work*, filmstrip series, Glenco Publishing Company.

Publications

- *Affirmative Action for Equal Opportunity.*

  This pamphlet may be obtained by writing to Office of Federal Contract Compliance Programs, U.S. Department of Labor, Third and Constitution Avenue, N.W., Washington, D.C. 20210.

- *Affirmative Action to Employ Disabled Veterans and Veterans of the Vietnam Era.*

  Information on ordering this pamphlet can be obtained from Office of Federal Contract Compliance Programs, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210.

- *Employment of Full-time Students at Subminimum Wages under the Fair Labor Standards Act.*

  This publication may be obtained by writing to U.S. Department of Labor, Room 208 Robert S. Kerr Building, 440 South Houston, Tulsa, Oklahoma 74127-8987.

- *Employment Relationships Under the Fair Labor Standards Act.*

  This publication can be obtained by writing to U.S. Department of Labor, Room 208 Robert S. Kerr Building, 440 South Houston, Tulsa, Oklahoma 74127-8987.

- *Handbook of the Workers' Compensation Court, State of Oklahoma.*

  This document can be obtained by writing to Workers' Compensation Court, 1915 North Stiles, Oklahoma City, Oklahoma 73105, or by calling (405) 557-7600 or (918) 581-2714.

- *Overtime Compensation Under the Fair Labor Standards Act.* (WH Publication 1325)

  This publication can be obtained by writing to U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division, Washington, D.C. 20210.

- *State of Oklahoma Workers' Compensation, Questions and Answers.*

  This publication may be obtained by writing to Workers' Compensation Court, 1915 North Stiles, Oklahoma City, Oklahoma 73105.

- *The Fair Labor Standards Act of 1938, as amended.*

  This publication can be obtained by writing to U.S. Department of Labor, Room 208 Robert S. Kerr Building, 440 South Houston, Tulsa, Oklahoma 74127-8987.

- *Workman's Compensation Occupational Work Experience.*

  This workbook may be obtained by writing to Trade and Industrial Education, Instructional Materials Laboratory, The Ohio State University, Columbus, Ohio 43210.

Other sources for materials:

Department of Education
Office for Civil Rights
1200 Main Tower Building
Dallas, TX 75202
(214) 767-3985

Equal Employment Opportunity Commission
50 Penn Place, Suite 504
Oklahoma City, OK 73118
(405) 231-4912/11

U.S. Department of Labor
Employment Standards Administration
Office of Federal Contract Compliance Programs
222 South Houston, Suite B
Tulsa, OK 74127
(918) 581-7745 or 581-7686

U.S. Department of Labor
ESA-OFCCP
Suite 415
6111 East Skelly Drive
Tulsa, OK 74135
(918) 581-7745

U.S. Department of Labor - Region VI
Associate Regional Administrator for OFCCP/ESA-O
U.S. Department of Labor
555 Griffin Square Building
Room 506
Dallas, TX 75202
(214) 767-4775

UNIT REFERENCES

- Bailey, Larry J. *Working: Skills for a New Age.* Albany, New York: Delmar Publishers, Inc., 1990.
- Kimbrell, Grady and Ben S. Vineyard. *Succeeding in the World of Work, Student Activity Workbook.* Elcino, California: Glencoe Publishing Company, 1986.
- McMahon, Edward T. *Street Law: A Course in Practical Law.* St. Paul, Minnesota: West Publishing Company, 1986.

PRETEST ANSWERS

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE III

OBJECTIVE 1

1. d
2. j
3. l
4. a
5. h
6. b
7. g
8. c
9. i
10. e
11. f

OBJECTIVE 2

Explanation should include the following:

- Negotiations occur between labor and management. Discussions take place with each side, labor and management, negotiating. When an agreement has been reached, a labor contract is written specifying the agreed-upon terms. The contract may last one to five years. When the contract expires, a new one is negotiated.

OBJECTIVE 3

In an open shop, an employee has a choice of joining or not joining a union, hwereas in a closed shop, all employees must join a union if they want to work for the company.

OBJECTIVE 4

1. Minimum wages
2. Overtime pay
3. Restrictions on child labor

OBJECTIVE 5

Explanation should include the following:

Covered non-exempt workers are entitled to a minimum wage and should receive overtime pay at a rate of not less than one and one half times their regular rate of pay after 40 hours of work in a week.

OBJECTIVE 6

Compliance Officers in the Wage and Hour Division of the Department of Labor

OBJECTIVE 7	1, 2, 5, 6
OBJECTIVE 8	2, 4, 5
OBJECTIVE 9	1. b 2. a 3. d 4. f
OBJECTIVE 10	1, 2, 3, 5, 6, 7, 8
OBJECTIVE 11	1. b 2. d 3. a 4. c
OBJECTIVE 12	Explanation should include the following: The EEOC prevents discrimination against people because of race, color, religion, sex, or national origin. Employers, apprenticeship programs, unions, and employment agencies must comply with EEOC guidelines.
OBJECTIVE 13	1. e 2. c 3. d 4. a 5. f
OBJECTIVE 14	Refer to Answers to Assignment Sheet.

FORM NO. 3

WORKERS' COMPENSATION COURT
1915 NORTH STILES AVENUE
OKLAHOMA CITY, OKLAHOMA 73105

Send copies to:
4 - Workers' Compensation Court

In re claim of

____
Name of Claimant (Injured Employee)

____
Name of Employer

____
Name of Insurance Carrier (To Be Added By Court)

EMPLOYEE'S FIRST NOTICE OF ACCIDENTAL INJURY AND CLAIM FOR COMPENSATION

Court Claim Number _______________ (To Be Added by Court)

Claimant's Social Security Number _______________ (Must be filled out)

(Please type or print all information legibly in ink)

EMPLOYEE

Name _______________________________
Last First Middle

Address _______________________________
Number & Street City State Zip Code

Telephone _______________ Age _______ Sex _______ Birthdate _______________

Average weekly wage $_______________ Was your employment agreement made in Oklahoma? _______________

INJURY

Date of accident _______________ Time _______________ _____M
To Nearest Hour

Place: City _______________ County _______________ State _______________

Last day worked after injury _______________ Were you paid full wages that day? _______________

Have you returned to work? _______________ If so, on what date? _______________

Treating physician _______________________________
Name Address City State

Nature of injury _______________________________
Example: burn, cut, sprain or amputation

List parts of body injured _______________________________
Example: eye, finger, arm or back

How did the accident occur? _______________________________
Describe fully the events which resulted in the injury. Tell what happened and how it occurred

____

Name object or substance which directly injured you _______________________________
Be specific. Example: Hammer, Saw, Box, Floor or Desk

____

Names of witnesses to the accident _______________________________

EMPLOYER

Name _______________________________ Telephone _______________

Address _______________________________
Number & Street City State Zip Code

Were you at the time of this last injury a physically impaired person on account of a pre-existing disability as a result of accident, disease, birth, military or other cause? _________ If the answer is "Yes", you may be entitled to additional benefits from the Special Indemnity Fund. If so, please describe the impairment and give the dates of the injuries and of any court orders. To commence a claim for benefits from the Special Indemnity Fund, a Form 3-F must be completed and filed with the Court and the Special Indemnity Fund.

____

____

____

____

I declare under penalty of perjury that I have examined this notice and claim, and all statements contained herein, and to the best of my knowledge and belief, they are true, correct and complete.

Signed this _______ day of _______________, 19_____

____
Signature of Claimant

COMPLETE THIS FORM AND THREE (3) COPIES AND MAIL DIRECTLY TO THE COURT. THE COURT WILL SEND A COPY EITHER TO YOUR EMPLOYER OR TO ITS INSURANCE CARRIER.

Name of claimant's attorney if represented

Name _______________________ OBA# _________

Address _______________________________
Number and Street

____
City State Zip Code

Telephone _______________________________

____
Signature of Attorney for Claimant

NOTICE: IF YOU HAVE NOT ALREADY NOTIFIED YOUR EMPLOYER OF THIS ACCIDENTAL INJURY, DO SO AT ONCE. NOTIFICATION WITHIN 60 DAYS IS REQUIRED BY LAW. FAILURE TO GIVE SUCH NOTICE MAY BAR YOU FROM RECEIVING ANY BENEFITS UNDER THE WORKERS' COMPENSATION ACT.

ACC 6-87

BEST COPY AVAILABLE

FORM NO. 3 a

WORKERS' COMPENSATION COURT
1915 NORTH STILES AVENUE
OKLAHOMA CITY, OKLAHOMA 73105

Send copies to
4 - Workers Compensation Court

IN THE MATTER OF THE DEATH OF

CLAIMANT'S FIRST NOTICE OF DEATH AND CLAIM FOR COMPENSATION

Name of Deceased Employee

Name of Claimant

Name of Employer

Name of Insurance Carrier

Court Claim Number

Deceased Employee's Social Security Number
(Must be filled out)

I hereby make claim under the Workers Compensation Act for compensation due me and/or other dependents of the deceased employee named herein. This compensation is claimed as the result of the death of the named decedent arising out of an accidental injury or occupational disease sustained in the employment of the above-named employer. The following information is submitted in support of this claim:

(Please type or print all information legibly in ink)

DECEASED EMPLOYEE

Name ______ Last ______ First ______ Middle

Address ______ Number & Street ______ City ______ State ______ Zip Code

Average weekly wage $ ______ (As of date of death) Age ______ Birthdate ______ Sex ______

Was the deceased's employment agreement made in Oklahoma? ______

CLAIMANT

Name ______ Last ______ First ______ Middle ______ Telephone ______

Address ______ Number & Street ______ City ______ State ______ Zip Code

Relationship to Deceased ______

INJURY

Date of accident ______ Time ______ M.

Place: City ______ County ______ State ______

Date of death ______ Time ______ M.

Place: City ______ County ______ State ______

Treating physician ______ Name ______ Address ______ City ______ State ______ Zip Code

Nature of injury ______
Example: Burn, Cut, Amputation or Crushing Blow

List parts of body injured ______
Example: Heart, Head or Chest

Cause of death ______
Normally Shown on Death Certificate

How did the accident occur? ______
Describe Fully the Events Which Resulted in The Injury. Tell What Happened and How it Occurred

Name object or substance which directly injured deceased ______
Be Specific. Example: Hammer, Saw, Automobile, Floor or Desk

Had deceased filed a claim for compensation with this Court regarding this accident? ______

EMPLOYER

Name ______

Address ______ Number & Street ______ City ______ State ______ Zip Code

Has an administrator or executor been appointed for the estate of deceased? ______

If so, state name and address ______

List below the names, relationships, addresses and dates of birth of all heirs at law of deceased and of any other person who was actually dependent upon deceased at the time of death. (List additional dependents on the reverse side)

NAME	ADDRESS	RELATIONSHIP	DATE OF BIRTH	DEPENDENT? (YES OR NO)

I declare under penalty of perjury that I have examined this notice and claim, and all statements contained herein, and to the best of my knowledge and belief, they are true, correct and complete.

Signed this ______ day of ______ 19 ______

Signature of Claimant

COMPLETE THIS FORM AND THREE (3) COPIES AND MAIL DIRECTLY TO THE COURT. THE COURT WILL SEND A COPY EITHER TO THE EMPLOYER OR TO ITS INSURANCE CARRIER.

Name of claimant's attorney, if represented:
Name ______ OBA# ______
Address ______ Number & Street
______ City ______ State ______ Zip
Telephone ______

NOTICE: IF YOU HAVE NOT ALREADY NOTIFIED YOUR EMPLOYER OF THIS ACCIDENT, DO SO AT ONCE. NOTIFICATION WITHIN 60 DAYS IS REQUIRED BY LAW. FAILURE TO GIVE SUCH NOTICE MAY BAR YOU FROM RECEIVING ANY BENEFITS UNDER THE WORKERS' COMPENSATION ACT.

BEST COPY AVAILABLE

FORM NO. 3-b

WORKERS' COMPENSATION COURT
1915 NORTH STILES AVENUE
OKLAHOMA CITY, OKLAHOMA 73105

[illegible]
[illegible] Workers Compensation Court

In re claim of

____
Name of Claimant (Injured Employee)

____
Name of Employer

____
Name of Insurance Carrier (To Be Added By Court)

EMPLOYEE'S FIRST NOTICE OF OCCUPATIONAL DISEASE AND CLAIM FOR COMPENSATION

Court Claim Number ______________ (To Be Added by Court)

Claimant's Social Security Number ______________ (Must Be Filled Out)

(Please type or print all information legibly in ink)

EMPLOYEE

Name ______________________________
Last First Middle

Address ______________________________
Number & Street City State Zip Code

Telephone ______________ Age ________ Sex ________ Birthdate ______________

Average weekly wage $ ______________ Was your employment agreement made in Oklahoma? ________

INJURY

Date of last exposure to hazard which caused disease ______________

Date of first distinct manifestation of disease ______________

Place: City ______________ County ______________ State ______________

Last day worked after injury ______________ Were you paid full wages that day? ________

Have you returned to work? ________ If so, on what date? ______________

Treating physician ______________________________
Name Address City State Zip Code

Nature of disease ______________________________
Example: Reduced breathing capacity or loss of vision

____

List parts of body injured ______________________________
Example: Eye, lung or heart

____

How were you exposed to the disease? ______________________________
Describe fully the events which resulted in the disease. Tell what happened and how it occurred.

____

Name object or substance which directly injured you ______________________________
Be specific. Example: Asbestos fibers, lead materials or silicon dust.

____

EMPLOYER

Name ______________________________

Address ______________________________
Number & Street City State Zip Code

Were you at the time of this injury a physically impaired person on account of a pre-existing disability as a result of accident, disease, birth, military or other cause? ______________ If the answer is "Yes", then you may be entitled to additional benefits from the Special Indemnity Fund. If so, please describe the impairment and give the date of injury and date of any court orders. To commence a claim for benefits from the Special Indemnity Fund, a Form 3-f must be completed and filed with the Court and the Special Indemnity Fund.

____

____

____

I declare under penalty of perjury that I have examined this notice and claim, and all statements contained herein, and to the best of my knowledge and belief, they are true, correct and complete.

Signed this ________ day of ______________, 19____

____
Signature of Claimant

COMPLETE THIS FORM AND THREE (3) COPIES AND MAIL DIRECTLY TO THE COURT. THE COURT WILL SEND A COPY EITHER TO YOUR EMPLOYER OR TO ITS INSURANCE CARRIER.

Name of claimant's attorney, if represented:

Name ______________ OBA# ________

Address ______________________________
Number and Street

____
City State Zip Code

Telephone ______________

NOTICE: IF YOU HAVE NOT ALREADY NOTIFIED YOUR EMPLOYER OF THIS OCCUPATIONAL DISEASE, DO SO AT ONCE. NOTIFICATION WITHIN 60 DAYS IS REQUIRED BY LAW. FAILURE TO GIVE SUCH NOTICE MAY BAR YOU FROM RECEIVING ANY BENEFITS UNDER THE WORKERS' COMPENSATION ACT.

WCC 6-87

BEST COPY AVAILABLE

PRETEST

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE

III

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with legal awareness to their correct definitions. Write the correct letters in the blanks.

______1. Amount of money a business takes in that is more than the business expenses

______2. Workers who provide goods or services in an economy

______3. Establishment in which only union members in good standing are hired

______4. Performed, done or made of one's own free will

______5. Settlement of dispute by mutual concessions

______6. Discussion for the purpose of bringing about an agreement or transaction

______7. Required by authority

______8. An organization of workers who bargain to obtain higher wages and better working conditions

______9. Any person who employs or controls one or more paid workers

______10. A place of work where an employee may choose whether or not to join a union

______11. Treating someone differently from another

a. Voluntary
b. Negotiation
c. Labor Union
d. Profit
e. Open shop
f. Discrimination
g. Compulsory
h. Compromise
i. Employer
j. Labor
k. Revenue
l. Closed shop
m. Wages

OBJECTIVE 2 **Describe how a labor contract becomes legal.**

OBJECTIVE 3 **Explain the difference between an open shop and a closed shop.**

OBJECTIVE 4 **List benefits of the Fair Labor Standards Act (FLSA) to the employee.** List three of the benefits.

OBJECTIVE 5 **Explain the basic wage standard and overtime rate per work week.**

OBJECTIVE 6 **State who enforces Fair Labor Standards Act.**

OBJECTIVE 7

Select from the following list who may be paid less than minimum wage. Write an "X" in the blank before each correct answer.

______1. Full-time students in agriculture

______2. Trainees

______3. Trainers

______4. Employees over 65

______5. Apprentices

______6. Industry orders for employees in Puerto Rico, Virgin Islands, and American Samoa

OBJECTIVE 8

Select from the following list how an employee may recover back wages. Write an "X" in the blank before each correct answer.

______1. Chairman of the board files suit

______2. An employee files a private suit plus costs

______3. Employer files suit

______4. The Secretary of Labor obtains an injunction to restrain any person from violating the law

______5. Secretary of Labor files suit

OBJECTIVE 9

Match terms associated with labor laws to their correct descriptions. Write the correct letters in the blanks.

______1. Limits the amount of individual's income that may be legally garnished and prohibits firing of an employee whose pay is garnished for payment of a single debt

______2. Protects migrant farm workers by imposing certain restrictions and requirements on their crew leaders

a. Farm Labor Contractor Registration Act

b. Wage Garnishment Law

c. Income Protection Act

______3. Sets overtime standards for Federal contracts

______4. Prohibits most private employers from using any type of lie detector test

d. Contract Work Hours and Safety Standards Act

e. Dividend Act

f. Employee Polygraph Protection Act

OBJECTIVE 10

Select from the following list characteristics of Workers' Compensation. Write an "X" in the blank before each correct statement.

______1. In most employment the employee is covered by Workers' Compensation as soon as employment begins.

______2. Any job related accident should be reported to the supervisor. The worker must be aware of any time limit for reporting.

______3. Employee may select any doctor he/she wishes to provide reasonable and necessary medical care.

______4. Employee may receive up to 3/4 of average weekly wage at time of injury.

______5. Employee may receive benefits for 150 weeks.

______6. A Workers' Compensation Claim to request benefits must be filed within two years of date of the injury.

______7. Benefits may be provided voluntarily after employee has contacted employer or its insurance carrier.

______8. Any employer who fails to secure Workers' Compensation in Oklahoma will be liable.

OBJECTIVE 11

Match four classes of disabilities of Workers' Compensation to their correct descriptions. Write the correct letters in the blanks.

______1. Injury that keeps an injured worker from performing any gainful work for a short time

a. Temporary partial disability

b. Temporary total disability

______2. Totally prevents a person from performing any gainful work and is expected to be for life

______3. Disability of nature which does not prevent some gainful work but does lower the earning power of the injured worker

______4. Disability limiting the use of a certain part of the body

c. Permanent partial disability

d. Permanent total disability

OBJECTIVE 12 **Explain the purpose of the Equal Employment Opportunity Commission.**

____

____

____

OBJECTIVE 13 **Match Equal Employment Opportunity Laws to their correct descriptions.** Write the correct letters in the blanks.

______1. Prohibits job discrimination on the basis of handicap in any program or activity which receives Federal Financial Assistance

______2. Prohibits sex discrimination in payment of wages to women and men employed in the same establishment on jobs that require equal skill, effort and responsibility and which are performed under similar working conditions

______3. Prohibits age discrimination and protects applicants and employees aged 40-70 from discrimination

a. Vietnam Era and Disabled Veterans Readjustment Assistance Act of 1974

b. Wage and Hour Act

c. Equal Pay Act of 1963

d. Age Discrimination in Employment Act of 1967

e. Rehabilitation Act of 1973 Section 504

______4.	Prohibits job discrimination and requires affirmative action to employ and advance in employment qualified Vietnam era veterans and qualified disabled veterans	f.	Rehabilitation Act of 1973 Section 503
______5.	Prohibits job discrimination because of handicap and requires affirmative action to employ and advance in employment qualified handicapped individuals who, with reasonable accommodation, can perform the functions of a job		

NOTICE In addition to pretest items, the student will be required to demonstrate the mastery of the following objective.

OBJECTIVE 14 **Analyze discrimination problems.** SCORE ______

INFORMATION SHEET

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE *III*

OBJECTIVE 1

Match terms associated with legal awareness to their correct definitions.

- **Closed shop** — Establishment in which only union members in good standing are hired
- **Compliance** — Conformity in fulfilling formal or official requirements
- **Compromise** — Settlement of dispute by mutual concessions
- **Compulsory** — Required by authority
- **Discrimination** — Treating someone differently from another
- **Employ** — To engage the services of or permit to work
- **Employee** — Any person permitted to work by an employer
- **Employer** — Any person who employs or controls one or more paid workers
- **Independent contractor** — A person who contracts with another to do something for him/her, but who is not controlled by the other nor subject to the other's right to control with respect to his/her physical conduct in the performance of the undertaking (Restatement, Second, Agency. § 2)
- **Labor** — Workers who provide goods or services in an economy
- **Labor union** — An organization of workers who bargain to obtain higher wages and better working conditions
- **Negotiation** — Discussion for the purpose of bringing about an agreement or transaction
- **Open shop** — A place of work where an employee may choose whether or not to join a union
- **Profit** — Amount of money a business takes in that is more than the business expenses

- **Voluntary** — Performed, done or made of one's own free will

OBJECTIVE 2

Describe how a labor contract becomes legal.

In the early days of industry men, women, and children worked long hours and working conditions were dangerous. Workers were paid enough to buy necessities and if they asked for more hourly wages or piece wages they were often fired.

Eventually workers joined together to help each other and formed labor unions. By joining together, workers had a strong and powerful voice with which to protect themselves and negotiate with management for better wages and better working conditions.

Labor unions grew through the first part of this century. Laborers now work shorter hours and receive more benefits. Much of the credit for obtaining higher wages and benefits for workers belongs to the unions. Union membership has dropped since 1950 due to the decline in industrial jobs.

- Negotiations occur between labor and management in the areas of wages, benefits, and working conditions. Management wants to keep expenses low while the worker wants the highest possible wages and benefits. Discussions take place with each side, labor and management, negotiating.
- When negotiations cease and an agreement has been reached, a labor contract is written specifying the agreed upon wages, benefits, working conditions and procedures for handling disagreements. The labor contract is signed by representatives from labor and management. The contract may last one to five years. When the contract expires, a new one is negotiated.

OBJECTIVE 3

Explain the difference between an open shop and a closed shop.

If labor and management refuse to compromise, labor may strike. Employees on strike do not receive wages. If employees are members of a union they may receive some pay from the union. This money is available to union workers from their membership dues.

- **Open shop** — An employee has a choice of joining or not joining a union

- **Closed shop** — Employees must join a union if he or she wants to work for a certain company

  NOTE: Union members may have higher wages but they do pay membership dues. Today, many companies do not provide union scale wages but do provide a comparable salary with benefits, good working conditions, and procedures for handling disagreements.

OBJECTIVE 4

List benefits of the Fair Labor Standards Act (FLSA) to the employee.

Once an individual is hired he/she is protected by a number of laws. The Fair Labor Standards Act is the major federal law regulating work. FLSA and its amendments set:

- **Minimum wages**
- **Overtime pay**
- **Restrictions on child labor**

OBJECTIVE 5

Explain the basic wage standard and overtime rate per work week.

- Covered non-exempt workers are entitled to a minimum wage and should receive overtime pay at a rate of not less than one and one half times their regular rate of pay after 40 hours of work in a week.

  NOTE: Some employees are excluded from the minimum wage or overtime provisions, or both, by specific exemptions. Because each exemption is narrowly defined under the law, an employer should carefully check its exact terms and conditions before applying it.

  EXAMPLES: Executive, administrative, and professional employees (including teachers and academic administrative personnel in elementary or secondary schools) and outside sales persons (as defined in FLSA regulations). The Supreme Court ruled that it was unconstitutional to apply the minimum wage and overtime provisions of FLSA to state and local government employees engaged in activities which are an integral part of traditional government services as noted in Employment Relationship under FLSA.

NOTE: FLSA sets the length of the standard work week. Time worked over forty hours is called overtime. For purposes of minimum wage and overtime payment, each work week stands alone. There can be no averaging of two or more weeks. Exceptions include hospital or residential care establishment employees or seamen on American vessels. These employees may adopt a 14 day overtime period in lieu of a seven day work week. Employees then must be paid at least one and one half times their regular wage rate for hours in excess of eight hours a day or 80 in a 14 day work period. Hours worked includes all time an employee must be on duty, on the employer's premises or at any prescribed place of work. Some additional exemptions are contained in the act.

OBJECTIVE 6 **State who enforces the Fair Labor Standards Act.**

- Compliance Officers in the Wage and Hour Division of the Department of Labor carry out enforcement of the FLSA. They have authorization to conduct investigations and gather data on wages, hours, employment conditions or practices and recommend changes.

NOTE: It is a violation of FLSA to fire or discriminate against an employee for filing a complaint or participating in a legal procedure under law. Willful violations may be prosecuted criminally and the violator fined up to $10,000. A second conviction may result in imprisonment. Violators of the child labor provisions are subject to civil money penalty of up to $10,000.

OBJECTIVE 7 **Select from a list who may be paid less than minimum wage.**

Employees under certain circumstances may be paid less than minimum wage:

- Trainees
- Apprentices
- Full-time students in retail or service establishments, agriculture, institutions of higher education
- Industry orders for employees in Puerto Rico, Virgin Islands and American Samoa

- Workers who are aged or mentally or physically disabled and whose earning abilities are reduced under special certificates issued by Administrator

OBJECTIVE 8

Select from a list how an employee may recover back wages.

FLSA provides for recovery of back wages under a two year statute of limitations, except in the case of willful violation.

- The Secretary of Labor files suit
- An employee files a private suit plus costs
- The Secretary of Labor obtains an injunction to restrain any person from violating the law

NOTE: An employee may not bring suit if he or she has been paid back wages under the supervision of the Division or if the Secretary has already filed suit to recover the wages.

OBJECTIVE 9

Match terms associated with labor laws to their correct descriptions.

- **Wage Garnishment Law** — Limits the amount of individual's income that may be legally garnished and prohibits firing of an employee whose pay is garnished for payment of a single debt
- **Farm Labor Contractor Registration Act** — Protects migrant farm workers by imposing certain restrictions and requirements on their crew leaders
- **Contract Work Hours and Safety Standards Act** — Sets overtime standards for Federal contracts
- **Employee Polygraph Protection Act** — Prohibits employers from using any type of lie detector test either for pre-employment screening of job applicants or for testing current employees during the course of their employment

  NOTE: Exemptions—Federal, state and local governments are not affected by the law. Also, the law does not apply to tests given by the Federal Government to certain private individuals engaged in national security-related activities.

  The Act permits *polygraph* (a kind of lie detector) tests to be administered in the private sector, subject to restrictions, to certain prospective employees of security service firms (armored car, alarm, and guard), and of pharmaceutical manufacturers, distributors and dispensers.

The Act also permits polygraph testing, subject to restrictions, of certain employees of private firms who are reasonably suspected of involvement in a workplace incident (theft, embezzlement, etc.) that resulted in economic loss to the employer.

- **Immigration Reform and Control Act of 1986 (IRCA)** — Prohibits discrimination against a job applicant on the basis of national origin or citizen status but may give preference to a U.S. citizen over an alien if both are equally qualified
- **Worker Adjustment and Retraining Act of 1988 (WARN)** — Mandates that employers must give their workers 60 days notification of plant closings and mass layoffs
- **Pregnancy Discriminations Act of 1978 (PDA)** — Protects pregnant women from discrimination under the terms of Title VII of the Civil Rights Act
- **Employment Retirement Income Security Act of 1974 (ERISA)** — Directs that employers who provide pensions for employees must establish and maintain their retirement plans according to federal minimum standards
- **Equal Pay Act of 1963** — Makes it unlawful to pay wages to members of one sex at a lower rate than members of the opposite sex for the same work and the same job
- **Title VII of the Civil Rights Act of 1964** — Prohibits employment discrimination on the basis of race, color, religion, sex, or national origin; springboard for employee rights
- **Age Discrimination in Employment Act of 1967 (ADEA)** — States that an employer may not discriminate against people over 40 years of age unless age is a necessary requirement for a particular job
- **Occupational Safety and Health Act of 1970 (OSHA)** — Requires employers to maintain a safe environment for their employees
- **Americans with Disabilities Act 1991 (ADA)** — Expands the employment rights of disabled people, including increased access to the job site; under the law, disabled workers who can perform the essential elements of a job must be reasonably accommodated which may include making existing

facilities readily accessible; job restructuring; part-time or modified work schedules; reassignment to a vacant position; acquisition or modification of equipment or devices; appropriate adjustment or modifications of examinations, training materials or policies; the provision of qualified readers or interpreters; and other similar accommodations.

OBJECTIVE 10 **Select from a list characteristics of Workers' Compensation.**

Workers' Compensation — state laws that provide money for payments to workers who are either injured on the job or become ill as a result of working. Workers' Compensation benefits vary from state to state. It entitles employee to medical and income benefits at the employer's expense if the employee suffers a work related injury or illness.

- In most employment the employee is covered by Workers' Compensation as soon as employment begins.

- Any job related accident should be reported to the supervisor. The worker must be aware of any time limit for reporting.

  EXAMPLE: A limit of 60 days in Oklahoma

- Employee may select any doctor he/she wishes to provide reasonable and necessary medical care. If the employee elects to change physicians, the employer must agree to the second doctor or the employee must receive Court approval to make such a change.

- Entitlement to weekly benefits occurs if the employee is unable to work for more than 7 calendar days after injury. Should the employee be unable to return to work twenty-one calendar days after their injury, benefits are then payable from the first day he/she missed work and was not paid his/her regular wages.

- The amount of benefits the employee may be entitled to receive during a period of temporary disability is based upon his/her average weekly wage at the time of injury. The employee may receive up to two-thirds of that amount, not to exceed two-thirds of Oklahoma's average wage, as determined by the Oklahoma Employment Security Commission.

- The employee may receive benefits for as long as they are unable to work but not in excess of 150 weeks. Upon showing necessity the employee can receive an extension of benefits to an additional 150 weeks with Court approval.

- If unable to perform past skill employee may be entitled to educational assistance and training to learn another skill.

- If employee is permanently disabled he/she can receive weekly income benefits based on the type and extent of disability including loss of sight and hearing.

- In case of an on-the-job accident resulting in death, the surviving spouse is entitled to a lump sum benefit payment as is each dependent child.

- Social Security Disability and Workers' Compensation benefits may be received at the same time.

- A Workers' Compensation Claim to request benefits must be filed within two years of the date of the injury. A Form 3 is needed for accidental injury, Form 3b is needed for occupational disease and Form 3a to file a death claim. Workers' Compensation Court or the employer will provide necessary information and forms to file upon request.

- Benefits may be provided voluntarily after employee has contacted employer or its insurance carrier. Most require a letter from physician stating type of treatment required. Ask employer to file a Form 2 with the court and insurance carrier.

- If benefits are not received voluntarily after filing Form 3 with the Court, the employee may ask the Court to hear the claim upon filing Form 9 with all medical reports.

- The trial is before the Workers' Compensation Court that is heard by a judge who will determine benefits.

- Employer has 30 days to respond to claim by filing Form 10. After that time the Court Docket Clerk will assign a date.

- The employee may elect to have an attorney. If the employee does not have an attorney and is an Oklahoma resident, the employee may call the lawyer referral service.

- Attorney's fee will be based upon an agreement between the employee and attorney subject to Court approval. The fee may not exceed 10% of any award for temporary disability, or 20% of any award for permanent disability.

- Any employer who fails to secure Workers' Compensation in Oklahoma is liable for a civil penalty.

NOTE: Those who are exempt from Workers' Compensation are farmers, agricultural and horticultural employers, except those whose employees work on motorized machines on farms, whose gross payroll for the preceding calendar year was more than $100,000.00. Additionally, licensed real estate agents who are paid solely by commission and most private homes employing domestic work are exempt.

OBJECTIVE 11 **Match four classes of disabilities of Workers' Compensation to their correct descriptions.**

There are four types of disability under Workers' Compensation.

- **Permanent partial disability** — Disability limiting the use of a certain part of the body

- **Permanent total disability** — Totally prevents a person from performing any gainful work and is expected to be for life

- **Temporary partial disability** — Disability of nature which does not prevent some gainful work but does lower the earning power of the injured worker

- **Temporary total disability** — Injury that keeps an injured worker from performing any gainful work for a short time

OBJECTIVE 12 **Explain the purpose of the Equal Employment Opportunity Commission.**

The passage of the Civil Rights Act of 1964 provided the government a legal tool to prevent job discrimination.

- Under the Equal Employment Opportunity Commission (EEOC) employers, apprenticeship programs, unions, employment agencies cannot discriminate against people because of race, color, religion, sex, or national origin.

OBJECTIVE 13

Match Equal Employment Opportunity Laws to their correct descriptions.

- **Age Discrimination in Employment Act of 1967** — Prohibits age discrimination and protects applicants and employees aged 40-70 from discrimination

- **Equal Pay Act of 1963** — Prohibits sex discrimination in payment of wages to women and men employed in the same establishment on jobs that require equal skill, effort and responsibility and which are performed under similar working conditions

- **Rehabilitation Act of 1973 Section 503** — Prohibits job discrimination because of handicap and requires affirmative action to employ and advance in employment qualified handicapped individuals who, with reasonable accommodation, can perform the functions of a job

- **Rehabilitation Act of 1973 Section 504** — Prohibits employment discrimination on the basis of handicap in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against handicapped persons who, with reasonable accommodation, can perform the essential functions of a job

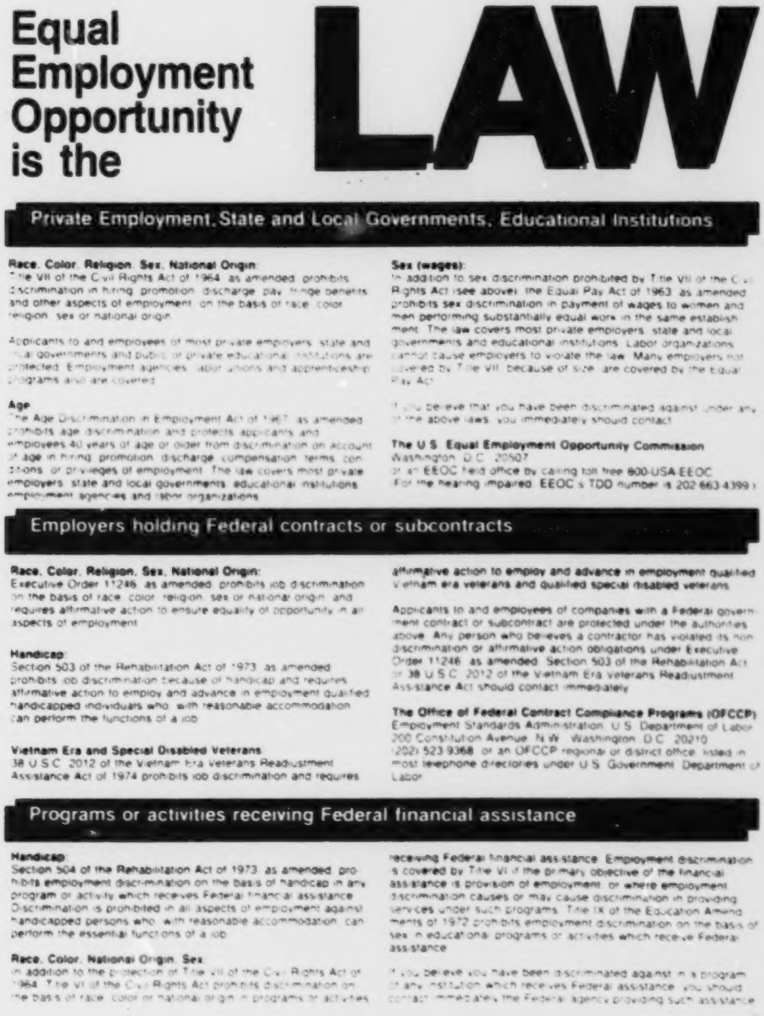
- **Vietnam Era and Disabled Veterans Readjustment Assistance Act of 1974** — Prohibits job discrimination and requires affirmative action to employ and advance in employment qualified Vietnam era veterans and qualified disabled veterans

- **Whistle Blowers Act OSHA** - Employees or their representatives have the right to file a complaint with the nearest OSHA office requesting an inspection if they believe unsafe or unhealthful conditions exist in their workplace. OSHA will withhold, on request, names of employees complaining.

  The Act provides that employees may not be discharged or discriminated against in any way for filing safety and health complaints or for otherwise exercising their rights under the Act.

Employees who believe they have been discriminated against may file a complaint with their nearest OSHA office within 30 days of the alleged discriminatory action.

Equal Employment Opportunity Law



Equal Employment Opportunity is the LAW

Private Employment, State and Local Governments, Educational Institutions

Race, Color, Religion, Sex, National Origin:
Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in hiring, promotion, discharge, pay, fringe benefits and other aspects of employment, on the basis of race, color, religion, sex or national origin.

Applicants to and employees of most private employers, state and local governments and public or private educational institutions are protected. Employment agencies, labor unions and apprenticeship programs also are covered.

Age
The Age Discrimination in Employment Act of 1967, as amended, prohibits age discrimination and protects applicants and employees 40 years of age or older from discrimination on account of age in hiring, promotion, discharge, compensation, terms, conditions, or privileges of employment. The law covers most private employers, state and local governments, educational institutions, employment agencies and labor organizations.

Sex (wages):
In addition to sex discrimination prohibited by Title VII of the Civil Rights Act (see above), the Equal Pay Act of 1963, as amended, prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment. The law covers most private employers, state and local governments and educational institutions. Labor organizations cannot cause employers to violate the law. Many employers not covered by Title VII, because of size, are covered by the Equal Pay Act.

If you believe that you have been discriminated against under any of the above laws, you immediately should contact:

The U.S. Equal Employment Opportunity Commission
Washington, D.C. 20507
or an EEOC field office by calling toll free 800-USA-EEOC.
(For the hearing impaired, EEOC's TDD number is 202-663-4399.)

Employers holding Federal contracts or subcontracts

Race, Color, Religion, Sex, National Origin:
Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

Handicap:
Section 503 of the Rehabilitation Act of 1973, as amended, prohibits job discrimination because of handicap and requires affirmative action to employ and advance in employment qualified handicapped individuals who, with reasonable accommodation, can perform the functions of a job.

Vietnam Era and Special Disabled Veterans
38 U.S.C. 2012 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 prohibits job discrimination and requires affirmative action to employ and advance in employment qualified Vietnam era veterans and qualified special disabled veterans.

Applicants to and employees of companies with a Federal government contract or subcontract are protected under the authorities above. Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act or 38 U.S.C. 2012 of the Vietnam Era Veterans Readjustment Assistance Act should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP)
Employment Standards Administration, U.S. Department of Labor
200 Constitution Avenue, N.W., Washington, D.C. 20210
(202) 523-9368, or an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor.

Programs or activities receiving Federal financial assistance

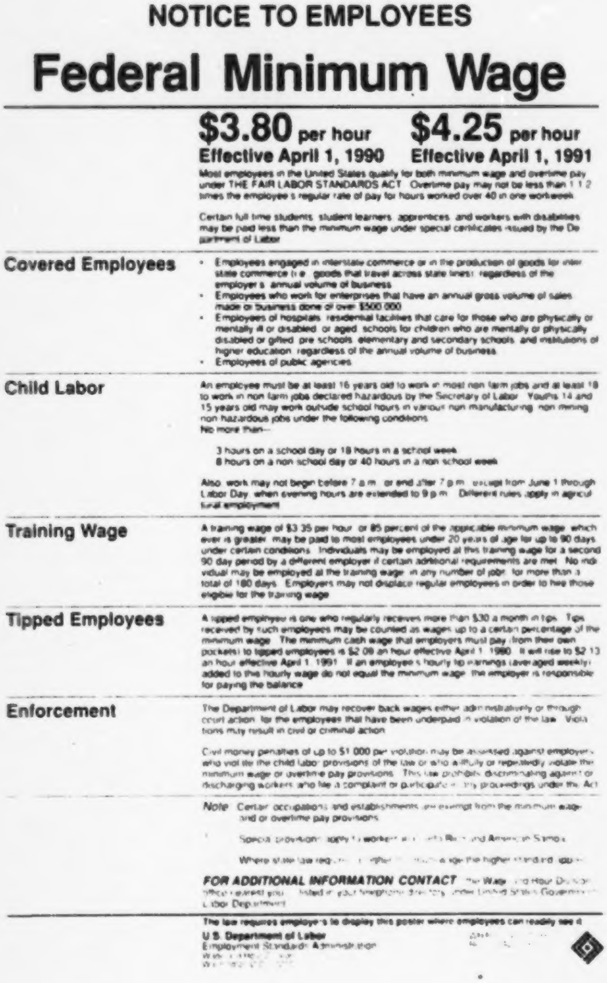
Handicap:
Section 504 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of handicap in any program or activity which receives Federal financial assistance. Discrimination is prohibited in all aspects of employment against handicapped persons who, with reasonable accommodation, can perform the essential functions of a job.

Race, Color, National Origin, Sex
In addition to the protection of Title VII of the Civil Rights Act of 1964, Title VI of the Civil Rights Act prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal assistance.

If you believe you have been discriminated against in a program of any institution which receives Federal assistance, you should contact immediately the Federal agency providing such assistance.

BEST COPY AVAILABLE

Federal Minimum Wage



NOTICE TO EMPLOYEES

Federal Minimum Wage

$3.80 per hour **Effective April 1, 1990**

$4.25 per hour **Effective April 1, 1991**

Most employees in the United States qualify for both minimum wage and overtime pay under THE FAIR LABOR STANDARDS ACT. Overtime pay may not be less than 1 1/2 times the employee's regular rate of pay for hours worked over 40 in one workweek.

Certain full time students, student learners, apprentices, and workers with disabilities may be paid less than the minimum wage under special certificates issued by the Department of Labor.

Covered Employees

- Employees engaged in interstate commerce or in the production of goods for interstate commerce (i.e., goods that travel across state lines), regardless of the employer's annual volume of business.
- Employees who work for enterprises that have an annual gross volume of sales made or business done of over $500,000.
- Employees of hospitals, residential facilities that care for those who are physically or mentally ill or disabled, or aged, schools for children who are mentally or physically disabled or gifted, pre schools, elementary and secondary schools, and institutions of higher education, regardless of the annual volume of business.
- Employees of public agencies.

Child Labor

An employee must be at least 16 years old to work in most non farm jobs and at least 18 to work in non farm jobs declared hazardous by the Secretary of Labor. Youths 14 and 15 years old may work outside school hours in various non manufacturing, non mining, non hazardous jobs under the following conditions.
No more than—

3 hours on a school day or 18 hours in a school week.
8 hours on a non school day or 40 hours in a non school week.

Also, work may not begin before 7 a.m., or end after 7 p.m., except from June 1 through Labor Day, when evening hours are extended to 9 p.m. Different rules apply in agricultural employment.

Training Wage

A training wage of $3.35 per hour, or 85 percent of the applicable minimum wage, whichever is greater, may be paid to most employees under 20 years of age for up to 90 days under certain conditions. Individuals may be employed at this training wage for a second 90 day period by a different employer if certain additional requirements are met. No individual may be employed at the training wage, in any number of jobs, for more than a total of 180 days. Employers may not displace regular employees in order to hire those eligible for the training wage.

Tipped Employees

A tipped employee is one who regularly receives more than $30 a month in tips. Tips received by such employees may be counted as wages up to a certain percentage of the minimum wage. The minimum cash wage that employers must pay (from their own pockets) to tipped employees is $2.09 an hour effective April 1, 1990. It will rise to $2.13 an hour effective April 1, 1991. If an employee's hourly tip earnings (averaged weekly) added to this hourly wage do not equal the minimum wage, the employer is responsible for paying the balance.

Enforcement

The Department of Labor may recover back wages either administratively or through court action, for the employees that have been underpaid in violation of the law. Violations may result in civil or criminal action.

Civil money penalties of up to $1,000 per violation may be assessed against employers who violate the child labor provisions of the law or who willfully or repeatedly violate the minimum wage or overtime pay provisions. This law prohibits discriminating against or discharging workers who file a complaint or participate in any proceedings under the Act.

Note: Certain occupations and establishments are exempt from the minimum wage and/or overtime pay provisions.

Special provisions apply to workers in Puerto Rico and American Samoa.

Where state law requires a higher minimum wage, the higher standard applies.

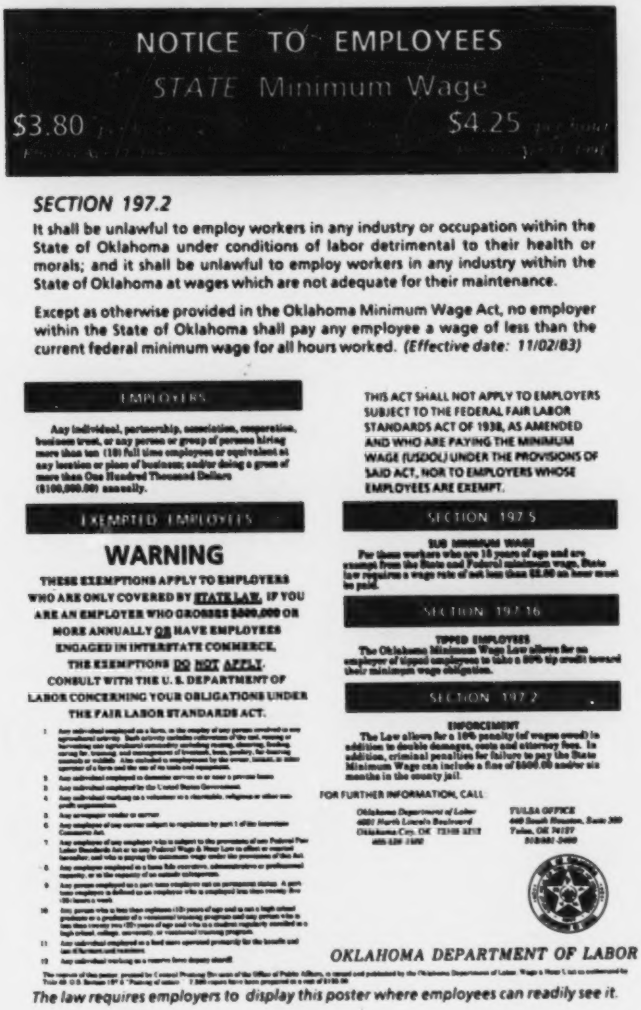
FOR ADDITIONAL INFORMATION CONTACT the Wage and Hour Division office nearest you — listed in your telephone directory under United States Government, Labor Department.

The law requires employers to display this poster where employees can readily see it.

U.S. Department of Labor
Employment Standards Administration
[illegible]
[illegible]

BEST COPY AVAILABLE

State Minimum Wage



NOTICE TO EMPLOYEES

STATE Minimum Wage

$3.80

$4.25

SECTION 197.2

It shall be unlawful to employ workers in any industry or occupation within the State of Oklahoma under conditions of labor detrimental to their health or morals; and it shall be unlawful to employ workers in any industry within the State of Oklahoma at wages which are not adequate for their maintenance.

Except as otherwise provided in the Oklahoma Minimum Wage Act, no employer within the State of Oklahoma shall pay any employee a wage of less than the current federal minimum wage for all hours worked. *(Effective date: 11/02/83)*

EMPLOYERS

Any individual, partnership, association, corporation, business trust, or any person or group of persons hiring more than ten (10) full time employees or equivalent at any location or place of business; and/or doing a gross of more than One Hundred Thousand Dollars ($100,000.00) annually.

THIS ACT SHALL NOT APPLY TO EMPLOYERS SUBJECT TO THE FEDERAL FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED AND WHO ARE PAYING THE MINIMUM WAGE (USDOL) UNDER THE PROVISIONS OF SAID ACT, NOR TO EMPLOYERS WHOSE EMPLOYEES ARE EXEMPT.

EXEMPTED EMPLOYEES

WARNING

THESE EXEMPTIONS APPLY TO EMPLOYERS WHO ARE ONLY COVERED BY STATE LAW. IF YOU ARE AN EMPLOYER WHO GROSSES $500,000 OR MORE ANNUALLY OR HAVE EMPLOYEES ENGAGED IN INTERSTATE COMMERCE, THE EXEMPTIONS DO NOT APPLY. CONSULT WITH THE U. S. DEPARTMENT OF LABOR CONCERNING YOUR OBLIGATIONS UNDER THE FAIR LABOR STANDARDS ACT.

SECTION 197.5

SUB MINIMUM WAGE

For those workers who are 18 years of age and are exempt from the State and Federal minimum wage, State law requires a wage rate of not less than $2.00 an hour must be paid.

SECTION 197.16

TIPPED EMPLOYEES

The Oklahoma Minimum Wage Law allows for an employer of tipped employees to take a 50% tip credit toward their minimum wage obligation.

SECTION 197.2

ENFORCEMENT

The Law allows for a 10% penalty (of wages owed) in addition to double damages, costs and attorney fees. In addition, criminal penalties for failure to pay the State Minimum Wage can include a fine of $500.00 and/or six months in the county jail.

FOR FURTHER INFORMATION, CALL

Oklahoma Department of Labor
4001 North Lincoln Boulevard
Oklahoma City, OK 73105-5212
405-528-1500

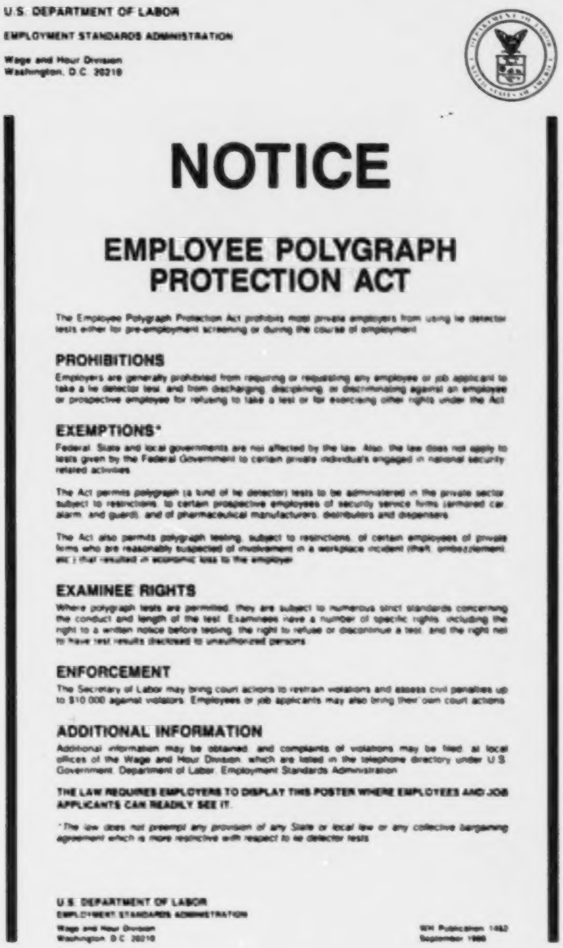
TULSA OFFICE
440 South Houston, Suite 300
Tulsa, OK 74127
918/581-2400

OKLAHOMA DEPARTMENT OF LABOR

The law requires employers to display this poster where employees can readily see it.

BEST COPY AVAILABLE

Employee Polygraph Protection Act



U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
Wage and Hour Division
Washington, D.C. 20210

NOTICE

EMPLOYEE POLYGRAPH PROTECTION ACT

The Employee Polygraph Protection Act prohibits most private employers from using lie detector tests either for pre-employment screening or during the course of employment.

PROHIBITIONS

Employers are generally prohibited from requiring or requesting any employee or job applicant to take a lie detector test, and from discharging, disciplining, or discriminating against an employee or prospective employee for refusing to take a test or for exercising other rights under the Act.

EXEMPTIONS*

Federal, State and local governments are not affected by the law. Also, the law does not apply to tests given by the Federal Government to certain private individuals engaged in national security-related activities.

The Act permits *polygraph* (a kind of lie detector) tests to be administered in the private sector, subject to restrictions, to certain prospective employees of security service firms (armored car, alarm, and guard), and of pharmaceutical manufacturers, distributors and dispensers.

The Act also permits polygraph testing, subject to restrictions, of certain employees of private firms who are reasonably suspected of involvement in a workplace incident (theft, embezzlement, etc.) that resulted in economic loss to the employer.

EXAMINEE RIGHTS

Where polygraph tests are permitted, they are subject to numerous strict standards concerning the conduct and length of the test. Examinees have a number of specific rights, including the right to a written notice before testing, the right to refuse or discontinue a test, and the right not to have test results disclosed to unauthorized persons.

ENFORCEMENT

The Secretary of Labor may bring court actions to restrain violations and assess civil penalties up to $10,000 against violators. Employees or job applicants may also bring their own court actions.

ADDITIONAL INFORMATION

Additional information may be obtained, and complaints of violations may be filed, at local offices of the Wage and Hour Division, which are listed in the telephone directory under U.S. Government, Department of Labor, Employment Standards Administration.

THE LAW REQUIRES EMPLOYERS TO DISPLAY THIS POSTER WHERE EMPLOYEES AND JOB APPLICANTS CAN READILY SEE IT.

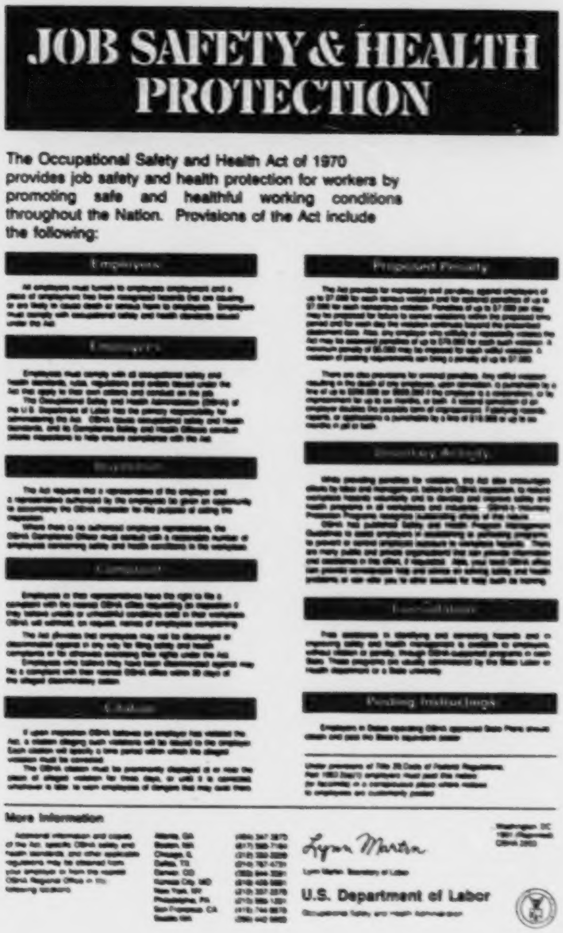
**The law does not preempt any provision of any State or local law or any collective bargaining agreement which is more restrictive with respect to lie detector tests.*

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
Wage and Hour Division
Washington, D.C. 20210

WH Publication 1462
September 1988

BEST COPY AVAILABLE

Job Safety and Health Protection



JOB SAFETY & HEALTH PROTECTION

The Occupational Safety and Health Act of 1970 provides job safety and health protection for workers by promoting safe and healthful working conditions throughout the Nation. Provisions of the Act include the following:

Employees

Employers

Inspection

Complaint

Citation

Proposed Penalty

Voluntary Activity

Consultation

Posting Instructions

More Information

Lynn Martin

U.S. Department of Labor

BEST COPY AVAILABLE

ASSIGNMENT SHEET 1

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE

NAME ______________________________ SCORE ______

OBJECTIVE 14 **Analyze discrimination problems.**

Reading Comprehension Skills
- Draw conclusions

Cognitive Activities Skills
- Identify critical elements/issues
- Analyze/synthesize information

Functional Social Studies Skills
- Analyze social issues

Read each of the following problems and decide if the individual has been discriminated against. Then state what section of the Equal Employment Opportunity law applies to the discrimination which has occurred.

1. Jerry, age 52, had worked for the same company for thirty years. Jerry was an excellent worker but his boss wanted to bring in someone younger. Jerry's boss gave him two choices: take a new lower paying job or quit the company.

2. Kathy, who is confined to a wheelchair, applied for a position at the county sheriff's department which receives federal money. Her application was rejected because the department was only accessible by stairs.

3. Michelle and Brian work for a retail firm. Brian has a family. They both wait on customers, stock, price merchandise and straighten the department. Brian and Michelle began their employment at the same time. Brian receives $1.00 more per hour than Michelle.

4. Betty, who has a loss of hearing, applied for a position at the local library. With a hearing aid she could hear various sounds but she could not understand speech unless she was able to see the person and lip read. After applying for the position her application was rejected.

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE

ASSIGNMENT SHEET 1

1. Age Discrimination
2. Rehabilitation Act of 1973, Section 504
3. Equal Pay Act of 1963
4. Rehabilitation Act of 1973, Section 503

WRITTEN TEST

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE

III

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with legal awareness to their correct definitions. Write the correct letters in the blanks.

______1. Amount of money a business takes in that is more than the business expenses

______2. Workers who provide goods or services in an economy

______3. Establishment in which only union members in good standing are hired

______4. Performed, done or made of one's own free will

______5. Settlement of dispute by mutual concessions

______6. Discussion for the purpose of bringing about an agreement or transaction

______7. Required by authority

______8. An organization of workers who bargain to obtain higher wages and better working conditions

______9. Any person who employs or controls one or more paid workers

_____10. A place of work where an employee may choose whether or not to join a union

_____11. Treating someone differently from another

a. Closed shop
b. Compromise
c. Compulsory
d. Discrimination
e. Employer
f. Free enterprise
g. Labor
h. Labor union
i. Negotiation
j. Open shop
k. Profit
l. Revenue
m. Voluntary
n. Wages
o. Independent contractor
p. Compliance
q. Employ
r. Employee

OBJECTIVE 2 Describe how a labor contract becomes legal.

OBJECTIVE 3 Explain the difference between an open shop and a closed shop.

OBJECTIVE 4 List benefits of the Fair Labor Standards Act (FLSA) to the employee.

OBJECTIVE 5 Explain the basic wage standard and overtime rate per work week.

OBJECTIVE 6 **State who enforces the Fair Labor Standards Act.**

OBJECTIVE 7 **Select from the following list who may be paid less than minimum wage.** Write an "X" in the blank before each correct answer.

______1. Trainees

______2. Employees over 40

______3. Apprentices

______4. Full time students in agriculture

______5. Trainers

______6. Industry orders for employees in Puerto Rico, Virgin Islands and American Samoa

OBJECTIVE 8 **Select from the following list how an employee may recover back wages.** Write an "X" in the blank before each correct answer.

______1. An employee files a private suit plus costs

______2. The employer files suit

______3. The Secretary of Labor files suit

______4. Secretary of Labor obtains an injunction to restrain any person from violating law

______5. Chairman of the board files suit

OBJECTIVE 9

Match terms associated with labor laws to their correct descriptions. Write the correct letters in the blanks.

______1. Limits the amount of individual's income that may be legally garnished and prohibits firing of an employee whose pay is garnished for payment of a single debt

______2. Protects migrant farm workers by imposing certain restrictions and requirements on their crew leaders

______3. Sets overtime standards for Federal contracts

______4. Prohibits employers from using any type of lie detector test either for pre-employment screening of job applicants or for testing current employees during the course of their employment

a. Contract Work Hours and Safety Standards Act

b. Dividend Act

c. Farm Labor Contractor Registration Act

d. Income Protection Act

e. Wage Garnishment Law

f. Employee Polygraph Protection Act

OBJECTIVE 10

Select from the following list characteristics of Workers' Compensation. statement. Write an "X" in the blank before each correct

______1. In most employment the employee is covered by Workers' Compensation as soon as employment begins

______2. Report any job related accident within 90 days

______3. Employee may select any doctor he/she wishes to provide reasonable and necessary medical care

______4. The amount of benefits the employee may be entitled to receive during a period of temporary disability is based upon his or her average weekly wage at the time of injury

______5. Employee receives benefits for six years

______6. Workers' Compensation Claim to request benefits must be filed within two years of the date of the injury

______7. Benefits may be provided voluntarily after employee has contacted employer or its insurance carrier

______8. Any employer who fails to secure Workers' Compensation in Oklahoma will not be liable

OBJECTIVE 11 **Match four classes of disabilities of Workers' Compensation to their correct descriptions.** Write the correct letters in the blanks.

______1. Injury that keeps an injured worker from performing any gainful work for a short time

______2. Totally prevents a person from performing any gainful work and is expected to be for life

______3. Disability of nature which does not prevent some gainful work but does lower the earning power of the injured worker

______4. Disability limiting the use of a certain part of the body

a. Permanent partial disability

b. Permanent total disability

c. Temporary partial disability

d. Temporary total disability

OBJECTIVE 12 **Explain the purpose of the Equal Employment Opportunity Commission.**

____

____

____

OBJECTIVE 13

Match Equal Employment Opportunity Laws to their correct descriptions. Write the correct letters in the blanks.

_____1. Prohibits employment discrimination on the basis of handicap in any program or activity which receives Federal financial assistance.

_____2. Prohibits sex discrimination in payment of wages to women and men employed in the same establishment on jobs that require equal skill, effort and responsibility and which are performed under similar working conditions.

_____3. Prohibits age discrimination and protects applicants and employees aged 40-70 from discrimination.

_____4. Prohibits job discrimination and requires affirmative action to employ and advance in employment qualified Vietnam era veterans and qualified disabled veterans.

_____5. Prohibits job discrimination because of handicap and requires affirmative action to employ and advance in employment qualified handicapped individuals who, with reasonable accommodation, can perform the functions of a job.

a. Age Discrimination in Employment Act of 1967

b. Equal Pay Act of 1963

c. Rehabilitation Act of 1973 Section 503

d. Rehabilitation Act of 1973 Section 504

e. Vietnam Era and Disabled Veterans Readjustment Assistance Act of 1974

f. Wage and Hour Act

NOTICE

The following assignment sheet is not part of the written test. If this activity has not been completed check with the instructor.

OBJECTIVE 14

Analyze discrimination problems. SCORE _____

WRITTEN TEST ANSWERS

APPLYING LEGAL AWARENESS AND ECONOMIC KNOWLEDGE III

OBJECTIVE 1

1. k
2. g
3. a
4. m
5. b
6. i
7. c
8. h
9. e
10. j
11. d

OBJECTIVE 2

Explanation should include the following:

- Negotiations occur between labor and management in the areas of wages, benefits, and working conditions. Management wants to keep expenses low, while the worker wants the highest possible wages and benefits. Discussions take place with each side of labor and management negotiating.
- When negotiations cease and an agreement has been reached, a labor contract is written specifying the agreed upon wages, benefits, working conditions and procedures for handling disagreements. The labor contract is signed by representatives from labor and management. The contract may last one to five years. When the contract expires, a new one is negotiated.

OBJECTIVE 3

Explanation should include the following:

- Open shop — an employee has a choice of joining or not joining a union
- Closed shop — employee must join a union if he or she wants to work for a certain company

OBJECTIVE 4

Minimum wages
Overtime pay
Restrictions on child labor

OBJECTIVE 5

Explanation should include the following:

Covered non-exempt workers are entitled to a minimum wage and should receive overtime pay at a rate of not less than one and one half times their regular rates of pay after 40 hours of work in a week.

OBJECTIVE 6	Compliance Officers in the Wage and Hour Division of the Department of Labor
OBJECTIVE 7	1, 3, 4, 6
OBJECTIVE 8	1, 3, 4
OBJECTIVE 9	1. e 2. c 3. a 4. f
OBJECTIVE 10	1, 3, 4, 6, 7
OBJECTIVE 11	1. d 2. b 3. c 4. a
OBJECTIVE 12	• Under the Equal Employment Opportunity Commission employers, apprenticeship programs, unions, employment agencies cannot discriminate against people because of race, color, religion, sex, or national origin.
OBJECTIVE 13	1. d 2. b 3. a 4. e 5. c
OBJECTIVE 14	Refer to answers to Assignment Sheet.

OBJECTIVE SHEET

APPLYING BASIC PRINCIPLES OF BANKING

IV

INTRODUCTION

As you begin to earn wages and become a consumer, you may need the services of financial institutions. This unit will help you learn which of these services you will want to use, and will help you learn to manage your money wisely.

UNIT OBJECTIVES

After completing this unit, the student should be able to select appropriate financial institutions for personal needs, open checking and savings accounts, write a check and reconcile a bank statement. The student will demonstrate these competencies by completing assignment sheets and written test with 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with financial institutions to their correct definitions.
2. Match terms associated with banking services to their correct definitions.
3. Discuss functions of a financial institution.
4. Sequence the steps in opening a checking account.
5. Sequence the steps in opening a savings account.
6. Name the types of check endorsements.
7. Select from a list items that should be included on a check.
8. List steps necessary to stop payment on a check.
9. List factors to consider when selecting a financial institution.
10. List the advantages and disadvantages of ATM cards.
11. Complete a sample check. (Assignment Sheet 1)
12. Reconcile a bank statement. (Assignment Sheet 2)

13. Organize a check register. (Assignment Sheet 3)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite local banking professionals to speak to your class. They will explain how their institution works. You may wish to invite one from each of the types of facilities in your community.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Talk to your local financial institutions to get copies of their banking forms for use in class.

- Prepare a bulletin board display of all forms that could be used in a banking situation.

- Arrange for the use of all audiovisual equipment needed for the unit.

DELIVERY

Objective 1 and 2

- Discuss unit terms.

- Have students use terms in a sentence.

- Have a spelling bee.

- Invite a guest speaker from a financial institution in your community. Ask him/her to talk about various services offered by their facility.

Objectives 3, 4, 5, 6 and 7

- Describe the services to the students and allow them to ask questions.
- Use Supplement I, "Banking Crossword Puzzle."
- Arrange a field trip to a financial institution. Tour should include all areas of the financial institution. Arrange for an employee to show students how checking and savings accounts are opened. Have speaker show what endorsements are legal and how to stop payment on a check.
- Use Transparency Masters 1 and 2, "Blank Personal Check."
- Discuss items that should be included on a check.

Objective 8

- Discuss reasons to stop payment on a check.
- Describe the steps needed to stop payment on a check.

Objective 9

- Talk with students about the services offered by different financial institutions and costs related to the services.
- Invite a banker or bank manager to talk with students about special services.
- Use Activity Sheet 1, "Survey Local Banking Services."

Objective 10

- Discuss purpose and use of Automatic Teller Machine (ATM) cards.
- Show examples of ATM cards.

- Display examples of ATM screens.

APPLICATION

Objective 11

- Use Transparency Masters 3 and 4, "Checking Account Deposit Slip."
- Use Transparency Masters 5 and 6, "Savings Account Deposit Slip" and "Savings Account Withdrawal Slip."
- Have students use Assignment Sheet 1 to write a check.

Objective 12

- Emphasize to students the importance of reconciling their bank statements on a monthly basis.
- Give students the opportunity to reconcile their own bank statement in class if they have a checking account.
- Have students use Assignment Sheet 2 to reconcile a bank statement.

Objective 13

- Have students use Assignment Sheet 3 to organize a check register. If students have checking accounts show them how to organize their checkbooks.
- Students who do not have a checking account may want to open one during the class field trip to a financial institution.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate actions listed in the specific objectives.
- Give written test.

  NOTE: The written test may be given in sections if desired.
- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

UNIT REFERENCES

- *Best's Insurance Reports*. Oldwick, New Jersey: A.M. Best Company, 1991.
- Littrell, J.J. *From School to Work, A Cooperative Education Book*. South Holland, Illinois: Goodheart-Wilcox, 1984.

PRETEST ANSWERS

APPLYING BASIC PRINCIPLES OF BANKING

IV

OBJECTIVE 1

1. a
2. h
3. d
4. b
5. k
6. f
7. l
8. i
9. e
10. g
11. j

OBJECTIVE 2

1. c
2. b
3. g
4. e
5. a
6. f
7. h
8. i
9. j
10. d

OBJECTIVE 3

- Receive deposits of money — The institution may receive money for deposit into a checking account or savings account.
- Make loans — Loans can be commercial or personal upon which the lending institution earns interest.
- Pay interest — Money may be paid to a person or company for the use of their money, or from a person or company for use of the financial institutions money.

OBJECTIVE 4

3, 2, 4, 1

OBJECTIVE 5

2, 3, 1, 4

OBJECTIVE 6

- Blank endorsement
- Special endorsement
- Restrictive endorsement

OBJECTIVE 7

1, 3, 4, 6, 9, 10, 11, 12

OBJECTIVE 8

1. Explain problem to your bank.
2. Follow up with a letter or fill in a form prepared for this purpose.

OBJECTIVE 9

Answer should include three of the following:

- Service charge
- Per check fees
- Term life insurance policy offered with certain accounts
- Minimum daily balance requirements
- Minimum dollar amount required to eliminate monthly service charge
- Convenience
- Interest rates
- Loan rates

OBJECTIVE 10

Advantages (should include three of the following):

- Easy access to money
- Access to money any time of day or night
- ATM machines are plentiful and conveniently located
- Allows access to both checking and savings accounts
- Access to money when out of town, out of state

Disadvantages:

- Monthly fees and/or transaction fees
- Delays in the credit of deposits made at ATMs
- Must remember PIN number

OBJECTIVES 11 - 13

Refer to answers to Assignment Sheets 1 through 3.

PRETEST

APPLYING BASIC PRINCIPLES OF BANKING

IV

NAME ________________________________ SCORE ________

OBJECTIVE 1

Match terms associated with financial institutions to their correct definitions. Write the correct letters in the blanks.

______1. A check of one bank drawn on its own deposits with some other bank

______2. Writing your name in ink on the back of the check at the left end

______3. Ordinary personal check drawn by a depositor on which the bank stamps or writes a certification that guarantees its payment

______4. A means of sending money to another person; replaces cashier's check

______5. Offers many of the same services as commercial banks

______6. Often called full service banks because they offer a variety of services

______7. Special type of check that is signed by the buyer at the time of purchase

______8. Government agency that insures bank deposits up to $100,000

______9. Portion of checkbook designed for recording checks written and for calculating checking account balance

a. Bank draft
b. Bank money order
c. Cashier's check
d. Certified check
e. Check register
f. Commercial bank
g. Credit Union
h. Endorsement
i. Federal Deposit Insurance Corporation
j. Interest
k. Savings and Loan Association
l. Traveler's checks
m. Signature cards

_____10. Differs from a commercial bank and savings and loan association in that its services are for its members only

_____11. Money paid for the use of another's money

OBJECTIVE 2

Match terms associated with banking services to their correct definitions. Write the correct letters in the blanks.

______1. Provides a safe place to keep cash and an easy way to withdraw it

______2. A checking account in which a fee is charged for every check written plus a monthly service charge is assessed

______3. Requires a minimum amount of money in the account at all times to avoid paying a service charge

______4. Allows interest to be earned and checks to be written on the same account

______5. Checks available for individual's use to make payment to someone who will not accept a personal check

______6. Money borrowed by consumer with the promise to pay it back, plus interest

______7. Making available United States government bonds for purchase

a. Bank draft

b. Budget accounts

c. Checking accounts

d. Financial and Tax Consultant Service

e. Interest bearing checking account

f. Loans

g. Minimum balance

h. Sale of government bonds

i. Safe deposit boxes

j. Trust functions

k. Savings accounts

______8. Rental space in bank vault providing protection against burglary for valuables that cannot be safely kept in the home or in the business office

______9. Managing wealth for the benefit of others; administering an estate for the persons entitled to it; or dividing it among those people according to law

_____10. Helps customers invest money and gives advice on tax problems

OBJECTIVE 3 **Discuss three functions of a financial institution.**

____

____

____

OBJECTIVE 4 **Sequence the steps in opening a checking account.** Write a "1" in front of the first step, a "2" in front of the second step and so on.

______ Fill out a deposit slip.

______ Sign a signature card.

______ Determine which type check best meets your needs.

______ Determine which type of checking account is best for you.

OBJECTIVE 5 **Sequence the steps in opening a savings account.** Write a "1" in front of the first step, a "2" in front of the second step and so on.

______ Determine which type of savings plan is best for you.

______ Sign a signature card.

______ Compare types of savings plans at various financial institutions.

______ Fill out a deposit slip with the amount of the original deposit.

OBJECTIVE 6 **Name three types of check endorsements.**

- ______________________________
- ______________________________
- ______________________________

OBJECTIVE 7 **Select from the following list items that should be included on a check.** Write an "X" in the blank before each correct answer.

______1. Month

______2. Place of employment

______3. Day

______4. Amount of check in words

______5. Location of payee

______6. Year

______7. Spouse's initials

______8. Savings account number

______9. Your signature

_____10. Purpose of check

_____11. Amount of check in numbers

_____12. Name of payee

OBJECTIVE 8 **List steps necessary to stop payment on a check.**

____

____

OBJECTIVE 9 **List three factors to consider when selecting a financial institution.**

- ______________________________
- ______________________________
- ______________________________

OBJECTIVE 10 **List three advantages and three disadvantages of ATM cards.**

Advantages

1. ______________________________
2. ______________________________
3. ______________________________

Disadvantages

1. ______________________________
2. ______________________________
3. ______________________________

NOTICE In addition to the pretest items, the student will be required to demonstrate the mastery of the following objectives.

OBJECTIVE 11 **Complete a sample check.** SCORE______

OBJECTIVE 12 **Reconcile a bank statement.** SCORE______

OBJECTIVE 13 **Organize a check register.** SCORE______

INFORMATION SHEET

APPLYING BASIC PRINCIPLES OF BANKING IV

OBJECTIVE 1

Match terms associated with financial institutions to their correct definitions.

- **Bank draft** — A check of one bank drawn on its own deposits with some other bank
- **Bank money order** — A means of sending money to another person; replaces cashier's check
- **Cashier's check** — A check drawn by a financial institution on itself and signed by the cashier or other authorized officer
- **Certified check** — Ordinary personal check drawn by a depositor on which the bank stamps or writes a certification that guarantees its payment
- **Check register** — Portion of checkbook designed for recording checks written and for calculating checking account balance
- **Commercial bank** — Often called full service banks because they offer a variety of services
- **Credit Union** — Differs from a commercial bank and savings and loan association in that its services are for its members only. Since credit unions are nonprofit organizations run by its members, operational costs are usually low.
- **Endorsement** — Writing your name in ink on the back of the check at the left end
- **Federal Deposit Insurance Corporation (FDIC)** — Government agency that insures bank deposits up to $100,000

  NOTE: If a bank goes bankrupt or is robbed you will not lose your money.
- **Interest** — Money paid for the use of another's money

- **Savings and Loan Association** — Offers many of the same services as commercial banks. Like most commercial banks, deposits in savings and loan associations are insured up to $100,000 by the FDIC.

- **Service charge** — A fee charged for services rendered to a customer; can include monthly maintenance fees or charges for special services

- **Traveler's checks** — A special type of check that is signed by the buyer at the time of purchase. Can be used at point of purchase just like money

OBJECTIVE 2 **Match terms associated with banking services to their correct definitions.**

Checking accounts — Deposits from businesses and individuals from which money is paid out when the depositors write checks.

- Provides a safe place to keep cash and an easy way to withdraw it

- Provides a convenient way to buy goods and services and pay bills by mail

- Provides a record of spending and receipts of payment

- Helps establish a credit rating

Three types of checking accounts

- **Budget account** — A checking account in which a fee is charged for every check written plus a monthly service charge is assessed. There is no minimum balance required to be maintained. This type of account works well for individuals with small earnings and few financial obligations.

- **Minimum balance** — Requires a minimum amount of money in the account at all times to avoid paying a service charge; for people who write a large number of checks and can maintain the minimum balance.

- **Interest bearing checking account** — Allows interest to be earned and checks to be written on the same account. In credit unions, these accounts are called share drafts. In banks and savings and loan associations, they are called negotiable orders of withdrawal or NOW accounts.

Savings accounts — Deposits from businesses and individuals on which interest is paid by the financial institution

Bank drafts and special checks — Checks available for individual's use to make payment to someone who will not accept a personal check

- Bank Draft
- Certified Check
- Cashier's Check
- Bank Money Orders
- Traveler's Check

Loans — Money borrowed by consumer with the promise to pay it back, plus interest

Sale of government bonds — Making available United States government bonds for purchase

Safe-deposit boxes — Rental space in bank vault providing protection against burglary for valuables that cannot be safely kept in the home or in the business office

NOTE: Access is limited to the person who has the key to the box. The box can only be opened with the key held by the renter and a key held by the bank renting the box. Neither key can open the box without the other. A bank cannot open a private safe-deposit box except upon court order.

Trust functions — Managing wealth for the benefit of others; administering an estate for the persons entitled to it; or dividing it among those people according to law

Financial and Tax Consultant Service — Helps customers invest money and gives advice on tax problems

OBJECTIVE 3

Discuss functions of a financial institution.

- **Receive deposits of money** — The institution may receive money for deposit into a checking account or a savings account.
- **Make loans** — Loans can be commercial or personal upon which the lending institution earns interest.
- **Pay interest** — Money may be paid to a person or company for the use of their money, or from a person or company for use of the financial institution's money.

OBJECTIVE 4

Sequence the steps in opening a checking account.

1. Determine which type of checking account is best for you.
2. Sign a signature card.

   NOTE: This will be the only signature that the financial institution will honor on checks and withdrawal slips that have your name and account number. If you want another person to be able to write checks on your account, that person will also have to sign the signature card. When two or more people share an account, it is called a joint account.

3. Fill out a deposit slip.
   a. Write the date on the deposit slip.
   b. Write the amount of cash being deposited beside the word "currency."
   c. Write the amount of coins being deposited beside the word "coin."
   d. Write the amount of the checks being deposited beside the word "checks," listing each check singly.
   e. Enter the amount of cash you want to receive, if any, after the words "less cash received."
   f. Subtract the "less cash received" from the "total" of deposits.

   g. Enter the actual amount of the deposit after "net deposit."

   h. Sign your name on the line below the date, using the signature you signed on your signature card.

   i. Enter the amount of the deposit in your checkbook register.

   NOTE: Persons opening a new account should have personal identification, such as a social security card or driver's license, with them.

4. Determine which type check best meets your needs and order checks.

   a. Duplicate checks — Provides a copy of the check written

   b. Wallet checks — Come in a wallet and provide no copies

   c. Top-stub checks — Checks are perforated with check register as the top portion

   d. End-stub checks — Checks are perforated with check register on the side

   NOTE: Putting your social security number in your address block is strongly recommended.

   You will receive blank temporary checks when you open your account. These can be used until your personalized checks arrive.

OBJECTIVE 5

Sequence the steps in opening a savings account.

1. Compare types of savings plans at various financial institutions to find which pays the highest rate of interest for the fewest number of restrictions.

2. Determine which type of savings plan is best for you.

   a. **Passbook savings** — Can be started with only a few dollars; deposits and withdrawals can be made in varying amounts at any time; convenient form of savings but pays the lowest rate of interest.

b. **Certificate of deposit** — Pays a higher rate of interest, but requires you to commit your money for a set period of time.

c. **Insured money market accounts** — Pays higher interest rates and allows limited checkwriting. Deposits are insured by the FDIC.

3. Sign a signature card.

NOTE: You will be required to sign a W-9 Form (Taxpayer Identification Number Form) for all interest-bearing accounts. This form allows for the reporting of interest to the IRS.

4. Fill out a deposit slip with the amount of the original deposit.

OBJECTIVE 6 **Name the types of check endorsements.**

CHECK ENDORSEMENTS

- **Blank Endorsement** — Only requires the payee's signature; can be cashed by anyone who possesses the check.

NOTE: Do not endorse check until you are ready to cash or deposit.

- **Special Endorsement** — Used to make sure no one but the payee can cash the check; includes not only the endorser's signature but also the name of the person to whom the check is being transferred.

- **Restrictive Endorsement** — States what is to be done with the check. "For Deposit Only" is a common restrictive endorsement. Write "For deposit only" and sign your name underneath. This means the check can only be credited to your account. This endorsement is best to use if you are banking by mail.

OBJECTIVE 7 **Select from a list items that should be included on a check.**

- **The date** including month, day and year

- **Name of the payee** (person, business or organization) receiving the check

- **Amount of the check in numbers**

  NOTE: Write as close to the dollar sign as possible to prevent anyone from adding to or changing the amount.

- **Amount of the check in words**

  NOTE: Write as far to the left as possible. After the amount of dollars, write the world "and." Then write the amount of cents in one of the following ways: 45/100, 00/100, or no/100. Draw a line through the remaining space.

- **Purpose of the check**

- **Your signature**

  NOTE: Sign your name the same way each time, using the signature you used on the bank signature card. Each time you write a check, you will need to record the check number, the date, the payee, the purpose of the check and the amount of the check in your checkbook register.

OBJECTIVE 8 **List steps necessary to stop payment on a check.**

1. Explain problem to the financial institution.

2. Follow up with a letter or fill out a form prepared for this purpose.

   NOTE: If the financial institution has not already cashed the check, it will not pay the check. You must have a good reason to stop payment on a check or you may have legal problems.

3. There will be a charge by the financial institution for this service.

OBJECTIVE 9

List factors to consider when selecting a financial institution.

Visit various financial institutions in your community to consider services they provide before choosing the one which best suits your financial needs.

Factors include:

- Service charge
- Per check fees
- Term life insurance policies offered with certain accounts
- Minimum daily balance requirements
- Minimum dollar amount required to eliminate monthly service charge
- Convenience
- Interest rates
- Loan rates

OBJECTIVE 10

List advantages and disadvantages of ATM cards.

An automated teller machine (ATM) is a computer link with the financial institution which allows the account holder to deposit or withdraw money or transfer funds from one account to another.

NOTE: An ATM card looks like a credit card. It is about the same size and is plastic with a coded magnetic strip the computer reads to identify the account being accessed.

Advantages of ATM cards:

- Easy access to money
- Access to money any time of day or night
- ATM machines are plentiful and conveniently located
- Allows access to both checking and savings accounts
- Access to money when out of town, out of state

Disadvantages of ATM cards:

- Monthly fees and/or transaction fees
- Delays in the credit of deposits made at ATMs
- Must remember personal identification number (PIN) to use card

NOTE: A PIN number is chosen either by the financial institution or the card holder. The number is required to use the ATM card, and this number should be memorized. Keep the PIN number a secret.

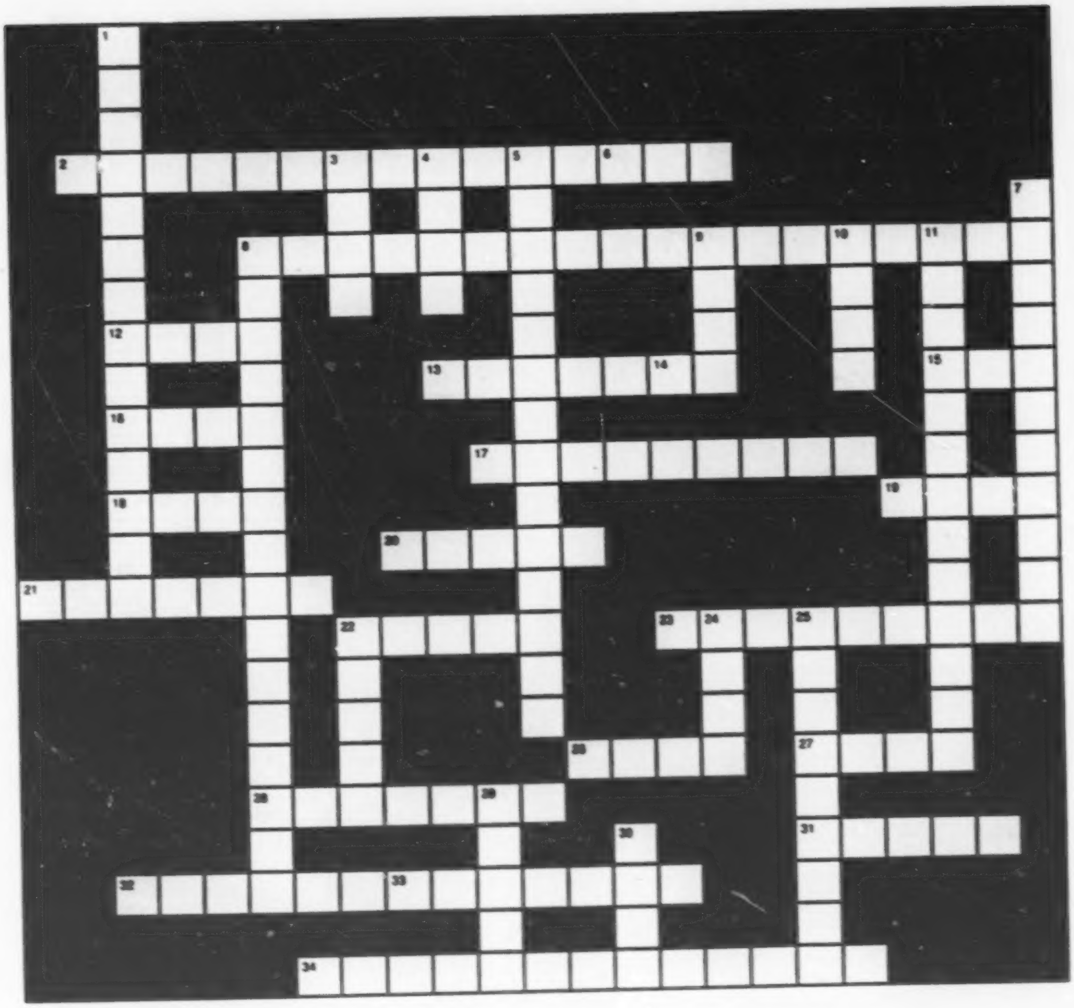
BANKING CROSSWORD PUZZLE

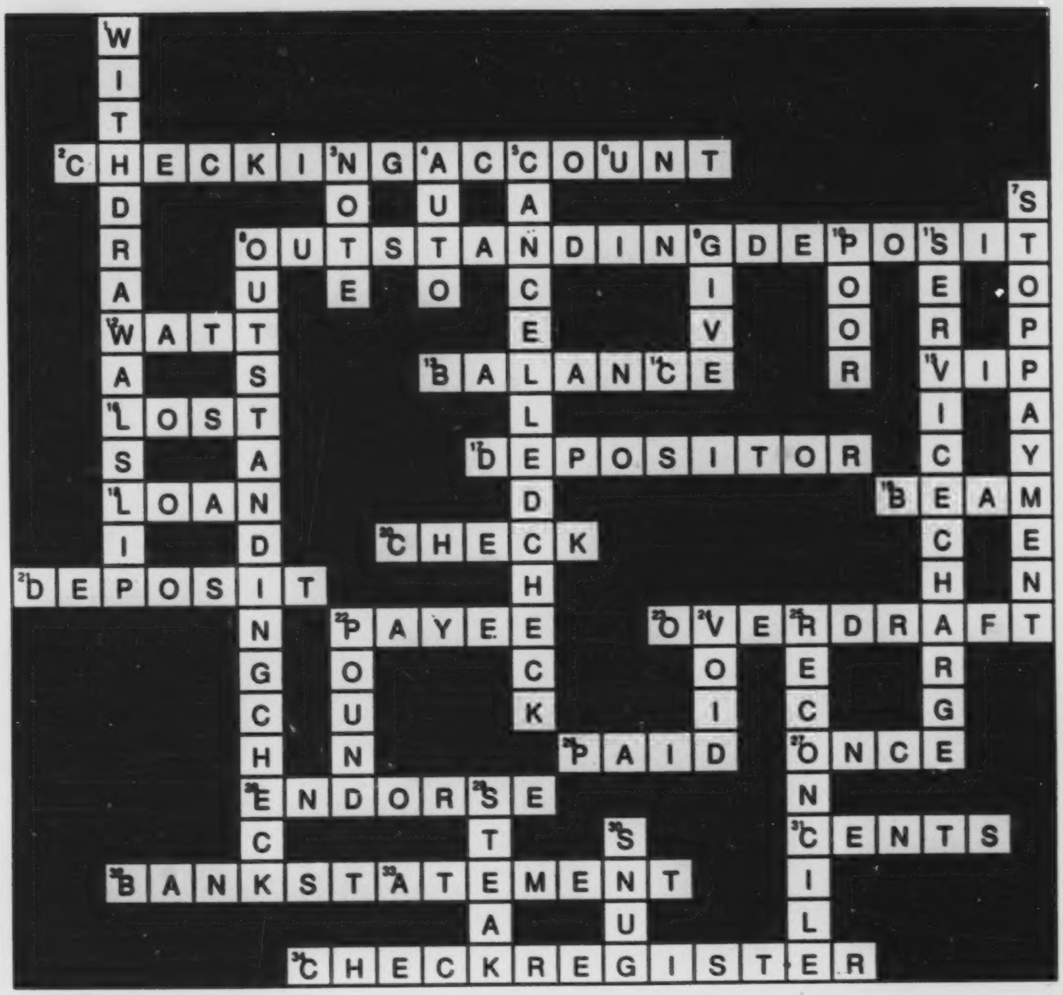
ACROSS

2. Banking account against which depositor may write checks (2 wds.)
8. Deposit that has not reached and been recorded by the bank; does not appear on bank statements (2 wds.)
12. Unit of power
13. Amount of money checking account holder has in bank
15. Abbreviation for "very important person"
16. Opposite of *found*
17. Person who places money in bank account
18. What most people get from the bank to buy a car
19. Heavy piece of timber used as a roof support
20. Form used to withdraw money from a checking account
21. Money placed in a bank account
22. Person or business to receive payment; person or business to whom you write a check
23. Check written when there is no money, or not enough money, in your checking account
26. Past tense of pay
27. The first word in many fairy tales
28. To sign your name on the back of a check written to you
31. Dollars and ______
32. Monthly report provided by the financial institution of deposits, checks, service charges and balances (2 wds.)
34. Part of checkbook in which record is kept of checks written, deposits made, service fees charged and account balance (2 wds.)

DOWN

1. Form similar to a check; used to withdraw money from a savings account (2 wds.)
3. A short letter; a thank you ______
4. Abbreviation for automobile
5. Check that has been paid by the financial institution (2 wds.)
7. Instructions to the bank from a customer requesting that the financial institution not pay a check (2 wds.)
8. Check that has not reached and been recorded by the financial institution; does not appear on the bank statement (2 wds.)
9. Opposite of *take*
10. Opposite of *rich*
11. Fee a financial institution charges for its services (2 wds.)
22. Sixteen ounces; British dollar
24. Not legally binding; useless
25. To make your checkbook register agree with bank statement balance
29. What you can afford to eat if you have a savings account
30. Tight or close fit; rhymes with *bug*




1 WITHDRAWALSLIP
2 CHECKINGACCOUNT
3 NOTE
4 AUTO
5 CANCELLEDCHECK
7 STOPPAYMENT
8 OUTSTANDINGDEPOSIT
8 OUTSTANDINGCHECK
9 GIVE
10 POOR
11 SERVICECHARGE
12 WATT
13 BALANCE
15 VIP
16 LOST
17 DEPOSITOR
18 LOAN
19 BEAM
20 CHECK
21 DEPOSIT
22 PAYEE
22 POUN
23 OVERDRAFT
24 VOID
25 RECONCILE
26 PAID
27 ONCE
28 ENDORSE
29 STEAK
30 SNUG
31 CENTS
32 BANKSTATEMENT
34 CHECKREGISTER

Blank Personal Check

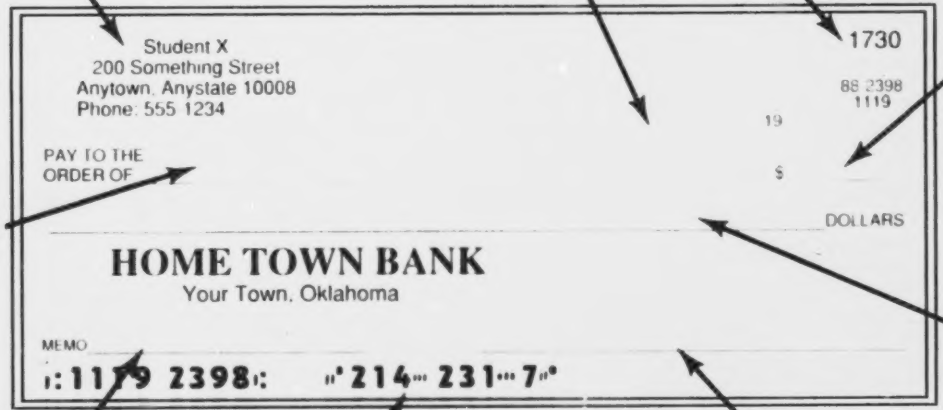
Account Holder's Name, Address, and Phone Number

Place for Date

Check Number

Place for Dollar Amount in Numbers

Place for Payee's Name



Student X
200 Something Street
Anytown, Anystate 10008
Phone: 555 1234

1730

88 2398
1119

19

PAY TO THE ORDER OF

$

DOLLARS

HOME TOWN BANK
Your Town, Oklahoma

MEMO

:1119 2398: "214" 231" 7"

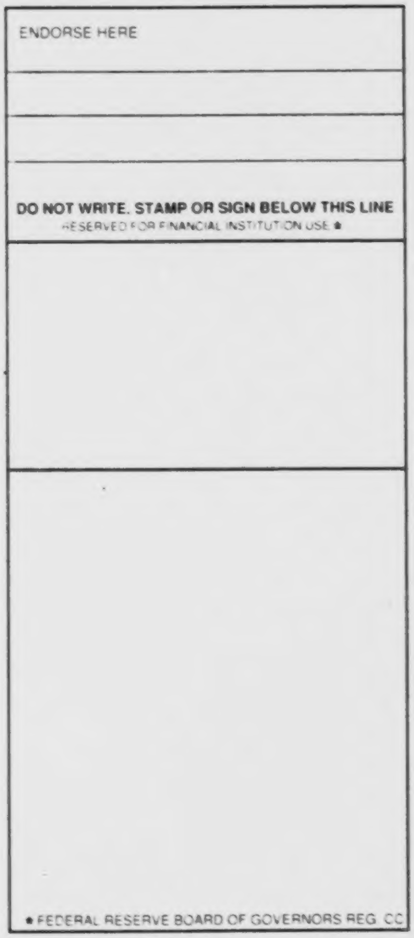
Place for Written Dollar Amount

Place to Write What Check Was Written For

Checking Account Number

Place for Account Holder's Signature

Back of Check

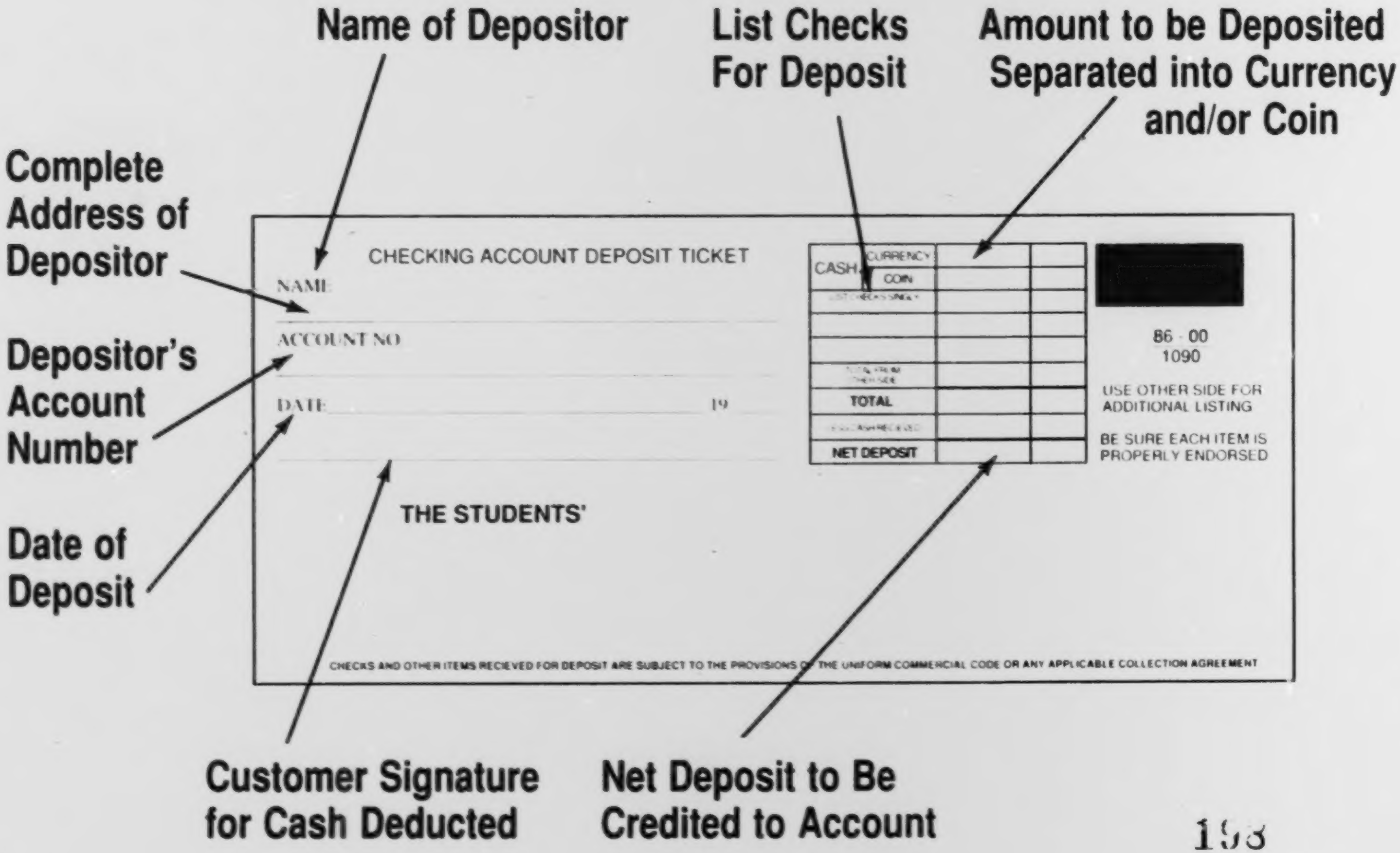


ENDORSE HERE

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE *

* FEDERAL RESERVE BOARD OF GOVERNORS REG. CC

Checking Account Deposit Slip



Name of Depositor

List Checks For Deposit

Amount to be Deposited Separated into Currency and/or Coin

Complete Address of Depositor

Depositor's Account Number

Date of Deposit

Customer Signature for Cash Deducted

Net Deposit to Be Credited to Account

CHECKING ACCOUNT DEPOSIT TICKET

NAME

ACCOUNT NO

DATE 19

THE STUDENTS'

CASH	CURRENCY		
	COIN		
LIST CHECKS SINGLY			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECEIVED			
NET DEPOSIT			

[redacted]

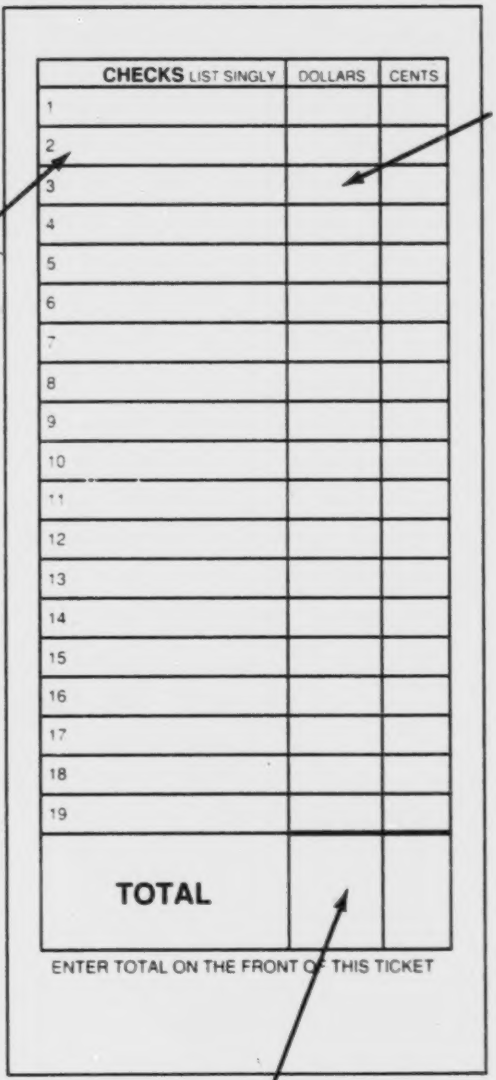
86 - 00
1090

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

CHECKS AND OTHER ITEMS RECIEVED FOR DEPOSIT ARE SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE OR ANY APPLICABLE COLLECTION AGREEMENT

Back of Deposit Slip



CHECKS LIST SINGLY	DOLLARS	CENTS
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
TOTAL		

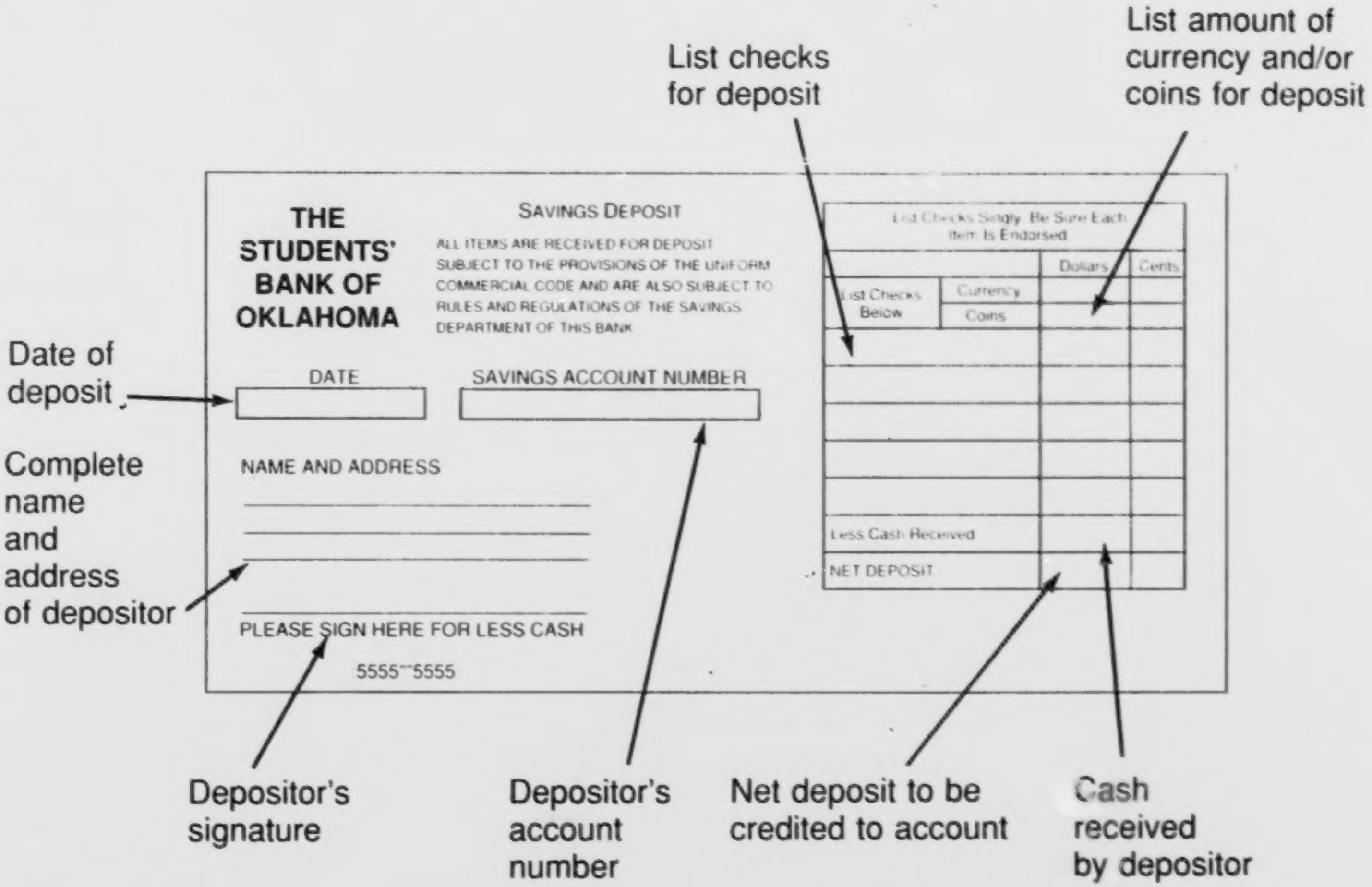
ENTER TOTAL ON THE FRONT OF THIS TICKET

Amount to be deposited

List of checks for deposit (overflow from front)

Enter total in space provided on front

Savings Account Deposit Slip



THE STUDENTS' BANK OF OKLAHOMA

SAVINGS DEPOSIT

ALL ITEMS ARE RECEIVED FOR DEPOSIT SUBJECT TO THE PROVISIONS OF THE UNIFORM COMMERCIAL CODE AND ARE ALSO SUBJECT TO RULES AND REGULATIONS OF THE SAVINGS DEPARTMENT OF THIS BANK

DATE

SAVINGS ACCOUNT NUMBER

NAME AND ADDRESS

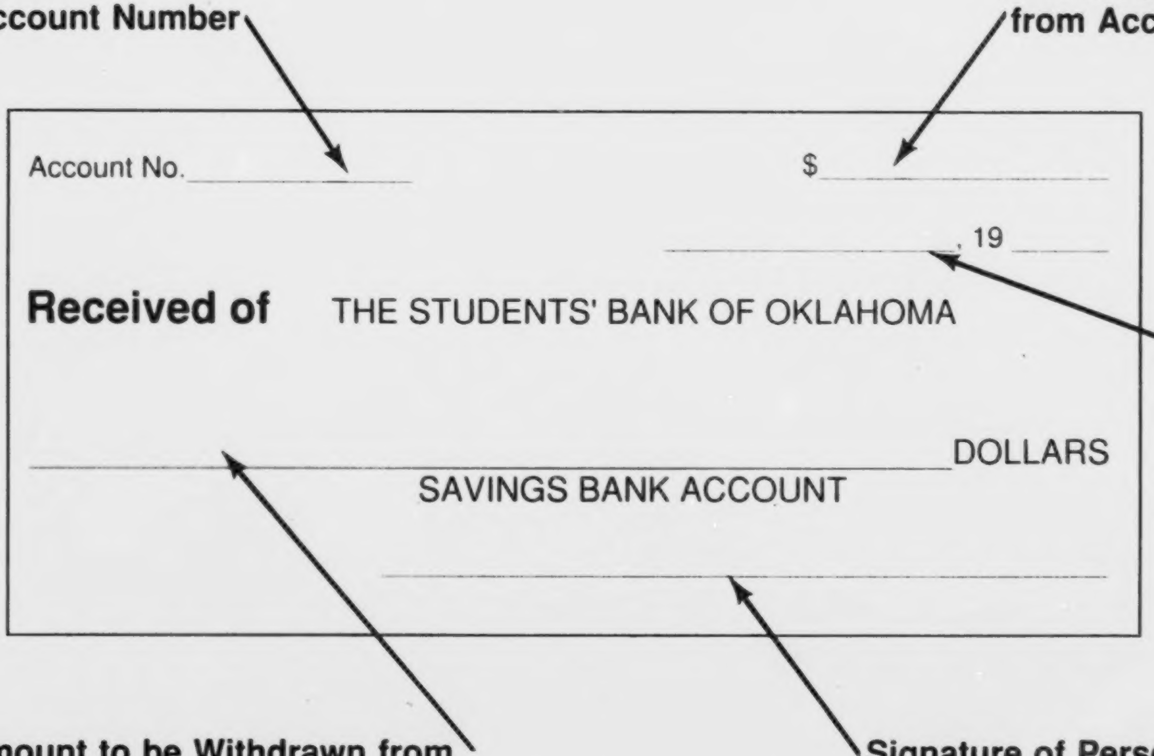
PLEASE SIGN HERE FOR LESS CASH

5555'''5555

List Checks Singly Be Sure Each Item Is Endorsed			
		Dollars	Cents
List Checks Below	Currency		
	Coins		
Less Cash Received			
NET DEPOSIT			

List checks for deposit
List amount of currency and/or coins for deposit
Date of deposit
Complete name and address of depositor
Depositor's signature
Depositor's account number
Net deposit to be credited to account
Cash received by depositor

Savings Account Withdrawal Slip



Account No.__________ $__________

__________, 19 ____

Received of THE STUDENTS' BANK OF OKLAHOMA

____________________ DOLLARS

SAVINGS BANK ACCOUNT

____

Account Number

Amount to be Withdrawn from Account in Figures

Date of Withdrawal

Amount to be Withdrawn from Account Written Out

Signature of Person Withdrawing Money from the Account

TRANSPARENCY MASTER 6 - ICE II
IV - 39

ACTIVITY SHEET 1

APPLYING BASIC PRINCIPLES OF BANKING

IV

NAME ________________________________

SURVEY LOCAL BANKING SERVICES

Financial institutions provide many services for individuals, families and businesses. Select two or more financial institutions in the community, and make a survey of the services offered. Use the table below to compare the services.

	#1	#2	#3	#4
Name of Financial Institution				
Safe-Deposit Box				
Free Checking Accounts				
Types of Loans (Home, Auto, Etc.)				
Loan Rates				
Interest Rates on Savings Accounts				
Bank by Mail Service				
Drive-In Service				
24-Hour Deposit				
Adequate Parking				
Traveler's Checks				
Financial and Tax Service				
ATM Available				
Special Accounts				
Service Charges • Checking • Savings • ATM				

Cognitive Activity Skills

- Collect and record data
- Draw conclusions
- Evaluate results/ outcomes

ASSIGNMENT SHEET 1

APPLYING BASIC PRINCIPLES OF BANKING

IV

NAME ______________________________ SCORE ______

OBJECTIVE 11 **Complete a sample check.**

INTRODUCTION

Writing checks to pay for purchases and to pay bills is a common practice among consumers. It doesn't take a financial genius to handle a checking account successfully, but you do need to be careful and systematic.

You have been chosen treasurer of your local vocational student organization. It is your responsibility to handle chapter money, keep accurate records of expenditures and deposits, pay all bills and keep an accurate record of cash on hand. Use the blank checks and check stubs provided to handle instructions below.

NOTE: Some organizations require two signatures. Also, some organizations and schools may have special rules for handling money.

Functional Reading Skills
- Follow written instructions

Functional Writing Skills
- Complete forms and records

Data Analysis and Display Skills
- Collect/record data

Functional Math Skills
- Perform banking transactions

1. Number your checks consecutively.
2. Write your checks so that they are clear; use ink or a typewriter.

   NOTE: Fill out the check stub first.

3. Use the date on which the check is written.

   NOTE: Do not postdate checks.

4. Write the name of the person or firm to receive the payment after the printed words, *Pay to the order of.*

   NOTE: If there is a space after the name of the payee, put in a dash to fill up the line. If you want to withdraw money from your own account, write in *Cash* or *Bearer.*

5. Begin at the far left and close to the dollar sign write the amount of the check in numbers.

6. Write as far to the left as possible in the space given for the amount to be paid; write the amount in words.

   NOTE: Fill in any unused space with a wavy line. This way no one can add a word and, thus, raise the amount of the check.

7. Sign your name at the bottom of the check in ink just as you did on the bank's signature card.

   NOTE: Write your signature only after the whole check has been filled in. **NEVER SIGN A BLANK CHECK.** If you lose a signed blank check, someone else could fill it in and use it.

8. Avoid crossing out, erasing or changing any part of a check.

   NOTE: If you make a mistake, tear up the check and write another one.

9. Indicate what the check is for to help you keep track of such information.

The checking account balance of the chapter before writing the first check is $229.25. Use the date given and write in ink. Balance the checkbook each time you write a check or make a deposit. Write your new balance on this sheet in the spaces provided.

______1. Check #173 to Thayer's Department Store for tablecloths for a Christmas party for $17.55. Date it Dec. 10.

______2. Check #174 to the Melody Mart for record album for $4.98.

______3. Record on stub #175 deposit made Dec. 15 of $56.41 for dues.

______4. Check #175 to Jones' Variety Store for decorations and candles, $18.80. Date it Dec. 16.

______5. Check #176 to Tom's Market for party refreshments for $32.99. Date it Dec. 17.

______6. Check #177 to State Association for dues of $30.00. Date it Dec. 18.

______7. Made deposit of $45.00 on Dec. 18 for dues. Record the deposit on stub #178.

______8. Check #178 to Peoples' Drug for film for $5.95. Date it Dec. 18.

NOTE: Use the checks and deposit slips on the following pages.

NO. ____________ $ ____________
DATE ____________ 19 ______
TO ________________________
FOR ________________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D.		

Vocational Organization
101 High School Road
Our Town, Oklahoma

176

88-2398
1119

____________ 19 ____

PAY TO THE
ORDER OF ________________________________ $ ________

____ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ____________ ________________

:1119 2398: ⑈214⑈231⑈7⑈

NO. ____________ $ ____________
DATE ____________ 19 ______
TO ________________________
FOR ________________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D.		

Vocational Organization
101 High School Road
Our Town, Oklahoma

177

88-2398
1119

____________ 19 ____

PAY TO THE
ORDER OF ________________________________ $ ________

____ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ____________ ________________

:1119 2398: ⑈214⑈231⑈7⑈

NO. ____________ $ ____________
DATE ____________ 19 ______
TO ________________________
FOR ________________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D.		

Vocational Organization
101 High School Road
Our Town, Oklahoma

178

88-2398
1119

____________ 19 ____

PAY TO THE
ORDER OF ________________________________ $ ________

____ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ____________ ________________

:1119 2398: ⑈214⑈231⑈7⑈

NO. ____________ $ ____________
DATE ______________ 19 ______
TO ______________________
FOR ______________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D		

176

Vocational Organization
101 High School Road
Our Town, Oklahoma

$\frac{88\text{-}2398}{1119}$

______________ 19 ____

PAY TO THE
ORDER OF ______________________________ $ ________

______________________________________ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ______________ ______________________

:1119 2398: ⑈214⑈231⑈7⑈

NO. ____________ $ ____________
DATE ______________ 19 ______
TO ______________________
FOR ______________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D		

177

Vocational Organization
101 High School Road
Our Town, Oklahoma

$\frac{88\text{-}2398}{1119}$

______________ 19 ____

PAY TO THE
ORDER OF ______________________________ $ ________

______________________________________ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ______________ ______________________

:1119 2398: ⑈214⑈231⑈7⑈

NO. ____________ $ ____________
DATE ______________ 19 ______
TO ______________________
FOR ______________________
____

	DOLLARS	CENTS
BAL. BRO'T FOR'D.		
AMT. DEPOSITED		
TOTAL		
AMT. THIS CHECK		
BAL CAR'D FOR'D		

178

Vocational Organization
101 High School Road
Our Town, Oklahoma

$\frac{88\text{-}2398}{1119}$

______________ 19 ____

PAY TO THE
ORDER OF ______________________________ $ ________

______________________________________ DOLLARS

HOME TOWN BANK
Our Town, Oklahoma

MEMO ______________ ______________________

:1119 2398: ⑈214⑈231⑈7⑈

CHECKING ACCOUNT DEPOSIT TICKET

Vocational Organization

DATE____________________19____

____

CASH	CURRENCY		
	COIN		
CHECKS			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECIEVED			
NET DEPOSIT			

[redacted]

86-143
1031

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

HOME TOWN BANK
Your Town, Oklahoma

⑈0 606 269⑈

CHECKS AND OTHER ITEMS RECIEVED FOR DEPOSIT ARE SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK'S COLLECTION AGREEMENT

CHECKING ACCOUNT DEPOSIT TICKET

Vocational Organization

DATE____________________19____

____

CASH	CURRENCY		
	COIN		
CHECKS			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECIEVED			
NET DEPOSIT			

[redacted]

86-143
1031

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

HOME TOWN BANK
Your Town, Oklahoma

⑈0 606 269⑈

CHECKS AND OTHER ITEMS RECIEVED FOR DEPOSIT ARE SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK'S COLLECTION AGREEMENT

CHECKING ACCOUNT DEPOSIT TICKET

Vocational Organization

DATE ______________________ 19____

____

CASH	CURRENCY		
	COIN		
CHECKS			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECIEVED			
NET DEPOSIT			

[redacted]

86 -143
1031

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

HOME TOWN BANK
Your Town, Oklahoma

⑈ 0 606 269 ⑈

CHECKS AND OTHER ITEMS RECIEVED FOR DEPOSIT ARE SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK'S COLLECTION AGREEMENT

CHECKING ACCOUNT DEPOSIT TICKET

Vocational Organization

DATE ______________________ 19____

____

CASH	CURRENCY		
	COIN		
CHECKS			
TOTAL FROM OTHER SIDE			
TOTAL			
LESS CASH RECIEVED			
NET DEPOSIT			

[redacted]

86 -143
1031

USE OTHER SIDE FOR ADDITIONAL LISTING

BE SURE EACH ITEM IS PROPERLY ENDORSED

HOME TOWN BANK
Your Town, Oklahoma

⑈ 0 606 269 ⑈

CHECKS AND OTHER ITEMS RECIEVED FOR DEPOSIT ARE SUBJECT TO THE TERMS AND CONDITIONS OF THIS BANK'S COLLECTION AGREEMENT

ASSIGNMENT SHEET 2

APPLYING BASIC PRINCIPLES OF BANKING

IV

NAME ______________________________ SCORE ________

OBJECTIVE 12 **Reconcile a bank statement.**

INTRODUCTION

At regular intervals, usually monthly, a financial institution mails the depositor a checking account report of deposits and checks. This is called a *bank statement*. Along with the statement, the financial institution returns the checks it has paid for the depositor. These paid checks are called *canceled checks* because the financial institution stamps or punches them to show that they have been paid.

NOTE: Some financial institutions no longer return canceled checks. You will need to check with your financial institution to determine whether or not they return canceled checks.

It is good business practice to compare the bank statement with the entries on the check stubs or check register to be sure there are no mistakes. This process is called *reconciling the bank statement*. The purpose of reconciling the bank statement is to see whether the checkbook balance is correct on the date on which the reconciliation is made and to detect errors, if any, in the bank statement. It is the depositor's responsibility to reconcile the bank statement and to report any mistakes to the financial institution immediately.

Here's how to reconcile a bank statement:

1. Sort the canceled checks by number. Check them off in your register and on the bank statement.
2. Make a list of all checks that you have written but that were not paid by the time the statement was prepared, the amounts and the check charges, if any. Subtract this amount from the balance on the statement.
3. Add to this any deposits you have made which were not received by the time the statement was prepared.
4. Deduct any service charge from your balance. The result is your new balance.

Functional Math Skills
- Perform banking transactions

General Science Skills
- Apply computing skills

5. Enter your new balance in your check register or check stub.

   Using the bank statement and form on the next page, and the checks from Assignment Sheet #1, reconcile the statement.

   NOTE: The bank used for this assignment charges a $.50 service charge per month. Remember to deduct this amount from your balance.

BANK STATEMENT

Hometown
Bank
Our Town, Oklahoma

Vocational Organization
101 High School Road
Our Town, Oklahoma

PAGE 1

Account Number	Statement Date	Interest Year to Date
000-00-000	12-23-91	

Beginning Balance	Number of Withdrawals	Total Amount of Withdrawals	Service Charge	Number of Deposits	Total Amount of Deposits	Interest Earned	Balance
229.25	6	77.28	.50	2	101.41		252.88

Transaction Description	Date	Deposits	Check No.	Withdrawals
Check	12-11-91		173	17.55
Check	12-13-91		174	4.98
Deposit	12-15-91	56.41		
Check	12-17-91		175	18.80
Check.	12-20-91		177	30.00
Deposit	12-20-91	45.00		
Check	12-21-91		178	5.95
Service Charge	12-23-91			.50

__________, 19____

CHECKS OUTSTANDING
(Written but not shown on statement)

Check Number	Amount	
Total		

THIS FORM WILL HELP YOU BALANCE YOUR BANK STATEMENT

BANK BALANCE $_____
(Shown on this statement)

ADD +

DEPOSITS MADE $_____
(But not shown on this statement) _____
_____

TOTAL $_____

SUBTRACT -

CHECKS OUTSTANDING $_____

BALANCE $_____
(Should agree with checkbook after subtracting any charges shown on this statement)

ASSIGNMENT SHEET 3

APPLYING BASIC PRINCIPLES OF BANKING

IV

NAME ______________________ SCORE ________

OBJECTIVE 13

Organize a check register.

INTRODUCTION

Return to Assignment Sheets 1 and 2. Record on the check register below all checks written and checking deposits made.

NOTE: When writing real checks or deposits, **always** record the amount in your check register at once.

Data Analysis and Display Skills
- Construct charts and tables

Functional Math Skills
- Perform banking transactions
- Use computer for computation

CHECK REGISTER

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT(-)	✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)	BALANCE
							$

APPLYING BASIC PRINCIPLES OF BANKING

ASSIGNMENT SHEET 1

1. Check stub #173: Balance brought forward—$211.70
2. Check stub #174: Balance brought forward—$206.72
3. Deposit on stub #175: Balance brought forward—$263.13
4. Check stub #175: Balance brought forward—$244.33
5. Check stub #176: Balance brought forward—$211.34
6. Check stub #177: Balance brought forward—$181.34
7. Deposit on stub #178: Balance brought forward—$226.34
8. Check stub #178: Balance brought forward—$220.39

ASSIGNMENT SHEET 2

________________, 19___

CHECKS OUTSTANDING
(Written but not shown on statement)

Check Number	Amount	
#176	$32	99
Total	$32	99

THIS FORM WILL HELP
YOU BALANCE YOUR
BANK STATEMENT

BANK BALANCE $ 252.88
(Shown on this statement)

ADD +
DEPOSITS MADE $ 0
(But not shown on this statement)

TOTAL $ 252.88

SUBTRACT –

CHECKS OUTSTANDING $ 32.99

BALANCE $ 219.89
(Should agree with checkbook after subtracting any charges shown on this statement)

ASSIGNMENT
SHEET 3

CHECK REGISTER

RECORD ALL CHARGES OR CREDITS THAT AFFECT YOUR ACCOUNT

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/ DEBIT(-)	✓ T	FEE IF ANY (-)	DEPOSIT/ CREDIT (+)	BALANCE
							229.25
173	12/10	Thayer's Dept. Store	17.55				211.70
		Tablecloths for party					
174	12/12	Melody Mart	4.98				206.72
		Record album					
	12/15	Deposit of dues				56.41	263.13
175	12/16	Jone's Variety Store	18.80				244.33
		Decorations & candles					
176	12/17	Tom's Market	32.99				211.34
		Party Refreshments					
177	12/18	State Association	30.00				181.34
		Dues					
	12/18	Deposit for dues				45.00	226.34
178	12/18	Peoples' Drug	5.95				220.39
		Film					

WRITTEN TEST

APPLYING BASIC PRINCIPLES OF BANKING IV

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with financial institutions to their correct definitions. Write the correct letters in the blanks.

______1. Differs from a commercial bank and savings and loan association in that its services are for its members only

______2. A check of one bank drawn on its own deposits with some other bank

______3. Portion of checkbook designed for recording checks written and for calculating checking account balance

______4. Offers many of the same services as commercial banks

______5. A means of sending money to another person; replaces cashier's check

______6. Writing your name in ink on the back of the check at the left end

______7. Special type of check that is signed by the buyer at the time of purchase

______8. Government agency that insures bank deposits up to $100,000

______9. A check drawn by a financial institution on itself and signed by the cashier or other authorized officer

a. Bank draft
b. Bank money order
c. Cashier's check
d. Certified check
e. Check register
f. Commercial bank
g. Credit Union
h. Federal Deposit Insurance Corporation
i. Endorsement
j. Savings and Loan Association
k. Interest
l. Traveler's checks
m. Service charge

_____10. Ordinary personal check drawn by a depositor on which the bank stamps or writes a certification that guarantees its payment

_____11. Money paid for the use of another's money

OBJECTIVE 2

Match terms associated with banking services to their correct definitions. Write the correct letters in the blanks.

______1. A fee is charged for every check written plus a monthly service charge is assessed.

______2. Provides a convenient way to buy goods and services and pay bills by mail

______3. Requires a minimum amount of money in the account at all times to avoid paying a service charge

_____4. Managing wealth for the benefit of others; administering an estate for the persons entitled to it; or dividing it among those people according to law

______5. Helps customers invest money and gives advice on tax problems

______6. Rental space in bank vaults providing protection against burglary for valuables that cannot be safely kept in the home or in the business office

______7. Money borrowed by consumer with the promise to pay it back, plus interest

a. Bank draft

b. Savings accounts

c. Budget accounts

d. Financial and Tax Consultant Service

e. Interest bearing checking account

f. Safe-deposit boxes

g. Loans

h. Minimum balance

i. Sale of government bonds

j. Traveler's checks

k. Trust functions

l. Checking accounts

______8. Making available United States government bonds for purchase

______9. Checks available for individual's use to make payment to someone who will not accept a personal check

_____10. Allows interest to be earned and checks to be written on the same account

_____11. Deposits from businesses and individuals on which interest is paid by the financial institution

OBJECTIVE 3 **Discuss three functions of a financial institution.**

OBJECTIVE 4 **Sequence the steps in opening a checking account.** Put a "1" in front of the first step, a "2" in front of the second step and so on.

______ Order checks.

______ Sign a signature card.

______ Fill out a deposit slip.

______ Determine which type of checking account is best for you.

OBJECTIVE 5 **Sequence the steps involved in opening a savings account.** Put a "1" in front of the first step, a "2" in front of the second step and so on.

______ Determine which type of savings plan is best for you.

______ Fill out a deposit slip with the amount of the original deposit

______ Sign a signature card

______ Compare types of plans to find which pays the highest rate of interest for the fewest number of restrictions

OBJECTIVE 6 **Name the types of check endorsements.** Write the correct letters in the blanks.

______1. Used to make sure no one but the payee can cash the check

______2. States what is to be done with the check

______3. Only requires the payee's signature; can be cashed by anyone who possesses it

a. Restrictive endorsement

b. Special endorsement

c. Bank endorsement

d. Signature endorsement

e. Personal endorsement

f. Blank endorsement

OBJECTIVE 7

Select from the following list items that should be included on a check. Write an "X" in the blank before each correct answer.

______1. Month

______2. Signature of spouse

______3. Time of last deposit

______4. Day

______5. Year

______6. Amount of check in words

______7. Savings account number

______8. Name of payee

______9. Location of payee

_____10. Amount of check in numbers

_____11. Your signature

_____12. Your social security number

_____13. Purpose of check

OBJECTIVE 8

List steps necessary to stop payment on a check.

1. ____

2. ____

OBJECTIVE 9

List three factors to consider when selecting a financial institution.

• ____

• ____

• ____

OBJECTIVE 10 **List three advantages and disadvantages of ATM cards.**

Advantages

1. ____________________

2. ____________________

3. ____________________

Disadvantages

1. ____________________

2. ____________________

3. ____________________

NOTICE The following assignment sheets are not part of the written test. If these assignments have not been completed, check with the instructor.

OBJECTIVE 11 **Complete a sample check.** SCORE______

OBJECTIVE 12 **Reconcile a bank statement.** SCORE______

OBJECTIVE 13 **Organize a check register.** SCORE______

WRITTEN TEST ANSWERS

APPLYING BASIC PRINCIPLES OF BANKING IV

OBJECTIVE 1

1. g
2. a
3. e
4. j
5. b
6. i
7. l
8. h
9. c
10. d
11. k

OBJECTIVE 2

1. c
2. l
3. h
4. k
5. d
6. f
7. g
8. i
9. a
10. e
11. b

OBJECTIVE 3

- Receive deposits of money — The institution may receive money for deposit into a checking account or a savings account.
- Make loans — Loans can be commercial or personal upon which the lending institution earns interest.
- Pay interest — Money may be paid to a person or company for the use of their money, or from a person or company for use of the financial institution's money.

OBJECTIVE 4

4, 2, 3, 1

OBJECTIVE 5

2, 4, 3, 1

OBJECTIVE 6

1. b
2. a
3. f

OBJECTIVE 7

1, 4, 5, 6, 8, 10, 11, 13

OBJECTIVE 8

- Explain the problem to the bank.
- Follow up with a letter or fill out a form prepared for this purpose.

OBJECTIVE 9

Answers should include any three of the following:

- Service charge
- Per check fees
- Term life insurance with certain accounts
- Minimum daily balance requirements
- Minimum dollar amount required to eliminate monthly service charge
- Convenience
- Interest rates
- Loan rates

OBJECTIVE 10

Advantages (should include three of the following):

- Easy access to money
- Access to money any time of day or night
- ATM machines are plentiful and conveniently located
- Allows access to both checking and savings accounts
- Access to money when out of town, out of state

Disadvantages (should include the following):

- Monthly fees and/or transaction fees
- Delays in the credit of deposits made at ATMs
- Must remember PIN number to use card

OBJECTIVE 11 — 13

Refer to answers to Assignment Sheets 1 through 3.

OBJECTIVE SHEET

APPLYING BASIC PRINCIPLES OF CREDIT

V

INTRODUCTION

Now that you are working and earning a wage you will be making decisions about how to make your money work best for you. You will also be making decisions about how to spend your money to your best advantage. This unit shows how to evaluate credit and loans and how to obtain credit.

UNIT OBJECTIVE

After completing this unit, the student will be able to evaluate a credit or loan situation and complete forms necessary to obtain credit. The student will demonstrate these competencies by completing assignment sheets and a written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to:

1. Match terms associated with obtaining and using credit and loans to their correct definitions.
2. Select from a list true statements about the advantages and disadvantages of using credit.
3. Select from a list true statements about major types of credit extended by businesses.
4. Discuss the types of loans issued by banks and other lending institutions.
5. Select from a list ways to establish a good credit record.
6. List factors which determine amount of interest charged.
7. Match sources of credit to their correct descriptions.
8. List costs of credit.
9. Calculate simple interest. (Assignment Sheet 1)
10. Complete an application for credit. (Assignment Sheet 2)

SUGGESTED ACTIVITIES

APPLYING BASIC PRINCIPLES OF CREDIT

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss basic principles of credit.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment needed for the unit.

DELIVERY

Objectives 1 and 2

- Discuss terminology with the students.

- Invite a guest speaker from a financial institution in your community.

- Invite someone from the credit bureau to talk about the various credit options available—what a lending institution looks for when loaning money and the advantages and disadvantages of using credit.

Objective 3

- Discuss the types of sales credit. Provide examples of each type.

  EXAMPLES: Regular credit to purchase furniture, installment credit to buy a car, revolving credit to buy clothes

- Use the fact sheet *Credit: How Much Can We Manage*?

Objective 4

- Use *The Story of Consumer Credit* to discuss types of loans issued to consumers.

Objective 5

- Invite a counselor from the Consumer Credit Counseling office in your area to speak to the class concerning the legal consequences of overextending credit and declaring bankruptcy.
- Supplement the objective with *Your Credit Rating*.

Objective 6

- Discuss with students the cost of credit. Emphasize that when a consumer makes payments on a loan, the interest is paid first. It usually takes many payments before the borrower begins to pay back the principle.

Objective 7 and 8

- Have students do research on the sources of credit to find out the interest rates of each one.

APPLICATION

Objective 9

- Have students complete Assignment Sheet 1 if not assigned earlier.

Objective 10

- Have students complete Assignment Sheet 2 if not assigned earlier.
- Use Handout 1 as an extra application for practice.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.

- Modify material in the unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.

- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities, if not previously done.

- Reteach and retest if necessary.

- Complete appropriate section of competency profiles.

- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Publications

- Fox, Karen D. *Credit: How Much Can We Manage?* Home Economics Fact Sheet No. T-4132. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1988.

  NOTE: Home Economics Fact Sheets and publication cost information may be obtained from the Oklahoma State University Cooperative Extension Center in each county or may be ordered directly from Central Mailing Services, Oklahoma State University, Stillwater, Oklahoma 74078-0550, phone 405-744-5385.

- *The Story of Consumer Credit.* New York: Federal Reserve Bank of New York, 1980.

  NOTE: Teachers may obtain this publication by writing to Federal Reserve Bank of New York, Public Information Department, 33 Liberty Street, New York, New York 10045, or by calling 212-720-6134.

- *Your Credit Rating*, rev. ed. Philadelphia, Public Information/Publications. Pennsylvania: Federal Reserve Bank of Philadelphia, 1989.

  NOTE: This publication can be ordered by writing to Federal Reserve Bank of Philadelphia, Public Information/Publications, P.O. Box 66, Philadelphia, Pennsylvania 19105-0066, or by calling 215-574-6115.

UNIT REFERENCES

- Doggett and Miles. *The Dynamics of Work*. 2d ed. Cincinnati, Ohio: South-Western Publishing, 1991.
- Kimbrell, Grady and Ben S. Vineyard. *Succeeding in the World of Work*, Student Activity Workbook. Elcino, California: Glencoe Publishing Company, 1986.
- Littrell, Joseph J. *From School to Work*. South Holland, Illinois: Goodheart-Wilcox, 1987.

PRETEST ANSWERS

APPLYING BASIC PRINCIPLES OF CREDIT V

OBJECTIVE 1

1. c
2. e
3. h
4. b
5. f

OBJECTIVE 2

Advantages
1, 3
Disadvantages
1, 2

OBJECTIVE 3

2, 3, 4

OBJECTIVE 4

Answer should include the following:

1. Bank credit card — A card that allows the bearer to charge items against an account at the bank.

2. Secured personal loan — A loan that is made with collateral

OBJECTIVE 5

2, 3, 4

OBJECTIVE 6

1. Individual's credit record
2. Ability to pay
3. Collateral offered
4. Current interest rate
5. Length of loan
6. Economic conditions
7. Source of credit
8. Purpose and type of loan granted

OBJECTIVE 7

1. d
2. g
3. b
4. a
5. h

OBJECTIVE 8	**Answer should include two of the following:** Interest Membership fee Service charge
OBJECTIVE 9	Refer to answers to Assignment Sheet 1.
OBJECTIVE 10	Refer to answers to Assignment Sheet 2.

HANDOUT 1 | **APPLYING BASIC PRINCIPLES OF CREDIT** **V**

CREDIT APPLICATION

Bank Use Only ☐☐☐☐☐☐☐☐☐☐

PLEASE TELL US ABOUT YOURSELF

First Name (Please Print) Middle Last Name	Social Security #	Date of Birth
Address City/State Zip	How long?	Telephone
Previous Address City/State Zip	How long?	U.S. Citizen? Yes___ No___
Nearest Relative Not Living With You Address City/State Zip	Telephone: Relationship:	# of Dependents
EMPLOYMENT INFORMATION Current Employer	How Long?	Telephone
Address City/State	Position	Monthly Salary
Former Employer (or School Attended)	How long? Telephone	Additional Income
FINANCIAL INFORMATION Bank or Financial Institution Address	City/State/Zip	How long?
Mortgage Holder or Landlord Own___ Rent___	Monthly Payment	Checking Acct. No. Savings Account No.
CREDIT REFERENCES Name City/State/Zip	Account No.	Payment
Name City/State/Zip	Account No.	Payment
Name City/State/Zip	Account No.	Payment
CO-APPLICANT INFORMATION (Must be completed to open a joint account) First Name (Please Print) Middle Last Name	Social Security #	Date of Birth
Current Employer	How long?	Telephone
Address City/State	Position	Monthly Salary

Former Employer (or School Attended)	How long? Telephone	Additional Income*
*Income from alimony, child support, or separate maintenance payments need not be revealed if you do not wish to have it considered as a basis of repaying the obligation.		
I (WE) GIVE THE ABOVE INFORMATION FOR THE PURPOSE OF OBTAINING CREDIT. YOU ARE AUTHORIZED TO CHECK MY (OUR) CREDIT AND EMPLOYMENT HISTORY AND TO ANSWER QUESTIONS ABOUT YOUR CREDIT EXPERIENCE WITH ME (US). YOU MAY REQUEST A CREDIT REPORT ON ME (US) AND IF I (WE) ASK YOU WILL TELL ME (US) THE NAME AND ADDRESS OF THE CONSUMER REPORTING AGENCY THAT FURNISHED IT. IF YOU REVIEW, UPDATE, OR EXTEND MY (OUR) LINE OF CREDIT, YOU MAY REQUEST A NEW REPORT WITHOUT TELLING ME (US). I (WE) AGREE TO BE BOUND BY THE TERMS SET FORTH IN THE CHARGE CARD AGREEMENT. I (WE) ACKNOWLEDGE RECEIPT OF THE STUDENT NATIONAL BANK AND TRUST COMPANY "TRUTH-IN-LENDING" DISCLOSURE STATEMENT.	X______________________ Applicant Signature Date X______________________ Co-Applicant Signature Date	

PRETEST

APPLYING BASIC PRINCIPLES OF CREDIT

V

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with obtaining and using credit and loans to their correct definitions. Write the correct letters in the blanks.

______1. The cost of borrowing a certain amount of money

______2. The amount of money borrowed

______3. One who uses other's money or purchases services or goods with the promise to pay back at a later date

______4. When a creditor takes possession of goods because a debtor has not made payment

______5. Allows a borrower to use money, or purchase goods and services now and pay at a later date

a. Credit rating
b. Repossess
c. Finance charge
d. Co-signer
e. Principle
f. Credit
g. Capital
h. Debtor

OBJECTIVE 2

Select from the following list true statements about the advantages and disadvantages of using credit. Write an "X" in the blank before each correct answer.

Advantages

______1. A customer can take advantage of sales and specials.

______2. Interest does not need to be paid.

______3. By using credit, a person is able to meet a financial emergency.

Disadvantages

______1. The consumer may be subject to impulse buying.

______2. Credit cards may be lost or stolen.

______3. The consumer is able to keep better records.

OBJECTIVE 3

Select from the following list true statements about major types of credit extended by businesses. Write an "X" in the blank before each correct answer.

______1. Installment credit is always paid in full in 30 days.

______2. Item purchased can be repossessed if the terms of the installment contract are not met.

______3. With a revolving charge, a credit limit is set when the account is established.

______4. An open account gives the customer a period to pay without an interest charge.

OBJECTIVE 4

Discuss the following types of loans issued by banks or other lending institutions.

1. Bank credit card ____

____

____

2. Secured personal loan ____________________________________

____

____

OBJECTIVE 5

Select from the following list ways to establish a good credit record. Write an "X" in the blank before each correct answer.

______1. Buy all clothing on credit so it is easier to return.

______2. Understand and follow terms of a credit contract.

______3. Always pay bills on time or before they are due.

______4. Think carefully before buying on credit.

OBJECTIVE 6

List five factors which determine amount of interest charged.

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

OBJECTIVE 7

Match sources of credit to their correct descriptions. Write the correct letters in the blanks.

______1. Offers cash loans at extremely high interest rates

______2. Often accepts other credit cards, and may hold merchandise in layaway

______3. Issues credit cards for gasoline and other items sold at the company's outlets

______4. Offers cash loans with or without interest

______5. Offers cash loans at possibly higher interest rates than those offered at banks

a. Private lender
b. Oil company
c. Consumer Credit Counseling
d. Loan shark
e. Better Business Bureau
f. Co-signer
g. Retail store
h. Finance company

OBJECTIVE 8 List two costs of credit.

1. ____

2. ____

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives.

OBJECTIVE 9 Calculate simple interest. SCORE ______

OBJECTIVE 10 Complete an application for credit. SCORE ______

INFORMATION SHEET

APPLYING BASIC PRINCIPLES OF CREDIT

V

OBJECTIVE 1

Match terms associated with obtaining and using credit and loans to their correct definitions.

- **Capacity** — The ability of the person to repay the assets borrowed
- **Capital** — A person's net worth, determined by their financial resources
- **Character** — Determined by how willing the person is to pay their bills and pay them on time
- **Collateral** — Property used as security for a loan
- **Commercial Bank** — Often called a full service bank because they offer a variety of services
- **Co-signer** — A person who signs a credit contract agreeing to pay the contracted amount if the primary signer defaults (does not pay as agreed)
- **Credit** — Allows a borrower to use money, or purchase goods and services now and pay at a later date
- **Credit Application** — A form requesting credit. Contains financial and work history and information about the individual requesting credit
- **Credit bureau** — A business that furnishes information about the credit standing of an individual or business
- **Credit Card** — Usually a plastic card issued by a business or bank enabling the bearer to make credit purchases

- **Credit card accounts** — Credit extended by a bank or a department store; usually are revolving charge accounts, meaning the card holder has the option of paying the entire balance in full each month or may spread payments over a period of time; some charge no interest if the balance is paid on time and in full each billing cycle

- **Creditor** — One who extends credit to another person with the other person's promise to pay back at a later date

- **Credit Rating** — A gauge of how able and willing a person is to repay debt

- **Credit Union** — Differs from a commercial bank or a savings and loan association in that services are for members only. Operational costs are usually low because credit unions are nonprofit organizations. They usually charge lower interest rates on loans and pay higher interest rates on savings.

- **Debtor** — One who uses other's money or purchases services or goods with the promise to pay back at a later date

- **Finance Charge** — The cost of borrowing a certain amount of money

- **Finance companies** — Offer cash loans possibly at a higher interest rate than those offered at banks

- **Installment accounts** — Ordinarily used for expensive purchases. The buyer has a set schedule of payments in which the finance charge has already been figured

- **Interest** — Money paid by the financial institution to an individual or company or to a financial institution for the use of their money

- **Line of Credit** — Limit on amount of debt a person can accrue

- **Loan** — Money advanced to a borrower; is repaid usually with interest, in a timely manner

- **Principle** — The amount of money borrowed

- **Repossess** — When a creditor takes possession of goods because a debtor has not made payments

- **Savings and Loan Association** — Offers many of the same services as commercial banks; limited by law in the kinds of services they can provide
- **Secured personal loan** — A loan that is made with collateral
- **Unsecured personal loan** — A loan given to a person on the person's promise to repay

OBJECTIVE 2 **Select from a list true statements about the advantages and disadvantages of using credit.**

ADVANTAGES

- The buyer can use products or services while they are paying for them.
- The buyer can save time by shopping over the telephone or by mail.

  NOTE: Never give your credit card number over the telephone if you did not initiate the call.

- Returns and exchanges may be easier to handle than those paid for by cash.
- The buyer is able to keep good financial records if receipts are kept accurately.
- By using credit, a person is able to meet a financial emergency.
- A customer can take advantage of sales and specials.

DISADVANTAGES

- Credit has an additional cost to the consumer in the form of interest or finance charge.

  NOTE: Always include the finance charge when figuring the cost of an item.

- The consumer may be subject to impulse buying.

- Credit cards may be lost or stolen

  NOTE: The company must be notified immediately if a card is lost or stolen. The card holder is responsible for the first $50.00 charged on a stolen card. If several cards are lost, this could be a significant amount. Try to find the card. It cannot be used after it is reported lost or stolen.

OBJECTIVE 3

Select from a list true statements about major types of credit extended by businesses.

- Installment credit
  - A down payment is usually required.
  - Specified payments are made over an agreed upon period of time.
  - Finance charge and interest are added to the purchase price of the item before repayment plan is agreed upon.
  - Item purchased can be repossessed if the terms of the installment contract are not met.
- Revolving charge account
  - Interest is charged.
  - A credit limit is set when the account is established.

    NOTE: This amount is figured on the capacity of the borrower to repay.
  - A minimum amount is required each month as a payment; it may be figured as a percentage of the balance owed.
  - The borrower may pay the balance of the account at any time.
  - New purchases may be added as frequently as desired if the maximum balance is not exceeded.

- Open account
    - Customer has a time period to pay without an interest charge.

OBJECTIVE 4

Discuss the types of loans issued by banks and other lending institutions.

- Bank credit card — A card that allows the bearer to charge items against an account at that bank
- Secured personal loan — A loan that is made with collateral
- Unsecured personal loan — A loan given to a person on the person's promise to repay

OBJECTIVE 5

Select from a list ways to establish a good credit record.

- Always pay bills on time or before they are due.
- Pay what is owed as soon as possible.
- Plan ahead how to make payments.
- Think carefully before buying on credit.
- Understand and follow terms of a credit contract.
- With the exception of a home loan, do not budget more than 20 percent of income to pay debts.

OBJECTIVE 6

List factors which determine amount of interest charged.

- Individual's credit record
- Ability to pay

  NOTE: Greater ability to repay a debt can lower interest rate.

- Collateral offered

  NOTE: Valuable items offered as collateral can lower the interest rate.

- Current rate of interest

  NOTE: The rate of interest charged is determined by the cost of the loan to the lender.

- Length of loan
- Economic conditions

  NOTE: The amount of money available in the economy influences interest rates.

- Source of credit

  NOTE: Financial institutions and lenders charge different interest rates and service fees.

- Purpose and type of loan granted

  NOTE: A borrower is usually charged a much higher interest rate for a credit loan than for a secured loan.

OBJECTIVE 7 **Match sources of credit to their correct descriptions.**

- Finance company — Offers cash loans at possibly higher interest rates than those offered at financial institutions
- Financial institution — Offers cash loans and credit cards to people with good credit ratings

  EXAMPLES: Commercial banks, savings and loan associations, and credit unions

- Life Insurance Policy — Offers policyholders the option of borrowing from cash value of policy at low interest rates
- Loan shark — Offers cash loans at extremely high interest rates

CAUTION

Loan sharks may use violence to collect outstanding loans and should never be used as lenders.

- Oil company — Issues credit cards for gasoline, and other items sold at the company's outlets
- Pawnbroker — Offers cash loans to be repaid with interest in exchange for property left as collateral
- Private lender — Offers cash loans with or without interest

  EXAMPLES: Friends, family
- Retail store — Offers its own charge accounts, often accepts other credit cards and may hold merchandise in layaway
- Travel and entertainment credit card company — Offers its own credit card allowing card holders to charge travel, entertainment and recreational expenses at participating businesses

OBJECTIVE 8 **List costs of credit.**

- Interest — A fixed percentage of the amount borrowed

  NOTE: Interest is always paid back before the principle.
- Service charge — An additional fee charged by the lender if loan payments are not paid on time
- Membership fee — An annual fee charged to use a credit card

THE COST OF CREDIT

To figure the cost of credit use the following formula:

Principle X Interest Rate X Time = Interest

1. If a person borrows $1,400 at 13% interest rate for 9 months how much is the *total* cost of the loan?

   - When calculating simple interest, use a decimal in place of percent (13% — .13).
   - When calculating simple interest make a fraction out of the time (9 months = 9/12)

     1400 x .13 x 3/4 =

     1400 x .13 x .75 = $136.50

   - Add the amount of interest to the principle for the total cost of the item

     $1400 + 136.50 = $1536.50

ASSIGNMENT SHEET 1

APPLYING BASIC PRINCIPLES OF CREDIT

V

NAME ______________________________ SCORE ____

OBJECTIVE 9

Math Application Skills
- Solve word problems

Functional Math Skills
- Calculate interest
- Solve interest problems

Calculate simple interest.

1. Samuel is thinking about borrowing money to buy skis. The cost of the skis is $600. He would borrow the money for 9 months at an interest rate of 13 percent. Calculate the interest on this loan.

   Answer: __________

2. Julia needs a new clarinet for the local band. She has found the one she likes for $400. The music store will let her take 6 months to pay for the clarinet. They charge 15% interest. What is the total cost of the clarinet?

   Answer: __________

3. Sanchez has recently earned $600 by working in a hardware store which his uncle owns. Sanchez wants to find out if he can afford a mountain bike for $850. If he used the $600 for down payment, how much would he need to finance? How much would the total amount be if the interest was 16% and Sanchez took 6 months to repay the loan?

Answer: __________

4. Tom and Jane have recently married. They both have stable jobs and would like to invest in some nice living room furniture. The furniture costs $2200.00 and the store will loan the money for 2 years. They charge 18% interest annually. What is the total cost of the furniture with interest included?

Answer: __________

5. Mary's work at home has been so profitable that she and her husband have decided to buy a computer for her to use. The computer costs $2800 with a 16% interest rate for 12 months. What will be the total amount needed to buy the computer?

Answer: __________

ASSIGNMENT SHEET 2

APPLYING BASIC PRINCIPLES OF CREDIT

NAME ______________________________ SCORE _____

OBJECTIVE 10

Complete an application for credit.

INTRODUCTION

Factual information is required when a person applies for credit. This information is used by the lending institution to decide upon the reliability of the applicant. Pertinent facts are given on a written form. It is reviewed by officers of the institution who then make the decision to loan or not to loan the money which has been requested.

Functional Reading Skills
- Interpret forms and records
- Follow written instructions

DIRECTIONS

Using the information given in the following case study, fill in the credit form which follows.

Functional Writing Skills
- Complete forms and records

Cognitive Activities Skills
- Analyze/synthesize information

Jason Michael Brown, age 18, (D.O.B. 3-3-75) is in his senior year at Greenville High School. (Phone 405-366-6666) He lives with his parents, Mr. and Mrs. Joe Bob Brown. Last month the family moved from 1100 North 50th where they had lived for 20 years. Their new address is 1600 W. Maple. Their telephone number, (405) 627-8181, is the same, even though they moved. The name of their town is Greenville, Oklahoma 66909.

Jason has worked part-time as a cook at Pizza Place for the last two years. Pizza Place is located at 1000 Oak Lane in Greenville. The telephone number is (405) 555-5555. Since the family has moved further away from his work, he needs a better mode of transportation. His uncle has owned a motorcycle for several years and has talked with Jason about helping him find one to buy.

When Jason went to work 2 years ago, he got a social security number (400-00-000), a checking account (no. 01000), and a savings account (no. 00010) with First City Bank of Greenville, 610 S. Main. Jason has attended Greenville High School for the last three years and is looking forward to graduation.

Jason works 20 hours a week at $4.25 per hour. He has a take home pay of approximately $320.00 per month. Jason also works on his uncle's farm and makes an average of $60.00 a month there.

Last year, Jason bought a pair of skis at Snow, Inc., Centerville, Oklahoma 75902. He paid $50.00 a month for the skis on account (no. 707-895). That has been completely paid.

Over the summer, Jason also bought skindiving equipment from Sports Unlimited in Greenville. He paid this account (no. 609-805) in 3 monthly payments of $150. At the present time, he is completely debt free.

When Jason first started working at Pizza Place, he needed transportation to work. He found a good used bicycle for $150.00 at Bikes International in Center City, Oklahoma 79073. The bike shop agreed to let him pay for the bicycle in 3 monthly payments. That account (no. 695-092) has been paid off.

Jason had talked with his uncle, Jim Brown, who lives alone just outside of Greenville (Rt. 1). The two of them have located a good used motorcycle. Jim has left a message for the owner to call him at (405) 811-1111.

Jason, along with his uncle Jim, have made a decision on the motorcycle to buy. Now, all that's left is an okay on his credit!

Bank Use Only ☐☐☐☐☐☐☐☐☐☐☐

PLEASE TELL US ABOUT YOURSELF

First Name (Please Print) Middle Last Name	Social Security #	Date of Birth
Address City/State Zip	How long?	Telephone
Previous Address City/State Zip	How long?	U.S. Citizen? Yes___ No___
Nearest Relative Not Living With You Address City/State Zip	Telephone: Relationship:	# of Dependents
EMPLOYMENT INFORMATION Current Employer	How Long?	Telephone
Address City/State	Position	Monthly Salary
Former Employer (or School Attended)	How long? Telephone	Additional Income
FINANCIAL INFORMATION Bank or Financial Institution Address	City/State/Zip	How long?
Mortgage Holder or Landlord Own____ Rent____	Monthly Payment	Checking Acct. No. Savings Account No.
CREDIT REFERENCES Name City/State/Zip	Account No.	Payment
Name City/State/Zip	Account No.	Payment
Name City/State/Zip	Account No.	Payment
CO-APPLICANT INFORMATION (Must be completed to open a joint account) First Name (Please Print) Middle Last Name	Social Security #	Date of Birth
Current Employer	How long?	Telephone
Address City/State	Position	Monthly Salary
Former Employer (or School Attended)	How long? Telephone	Additional Income*

*Income from alimony, child support, or separate maintenance payments need not be revealed if you do not wish to have it considered as a basis of repaying the obligation.

I (WE) GIVE THE ABOVE INFORMATION FOR THE PURPOSE OF OBTAINING CREDIT. YOU ARE AUTHORIZED TO CHECK MY (OUR) CREDIT AND EMPLOYMENT HISTORY AND TO ANSWER QUESTIONS ABOUT YOUR CREDIT EXPERIENCE WITH ME (US). YOU MAY REQUEST A CREDIT REPORT ON ME (US) AND IF I (WE) ASK YOU WILL TELL ME (US) THE NAME AND ADDRESS OF THE CONSUMER REPORTING AGENCY THAT FURNISHED IT. IF YOU REVIEW, UPDATE, OR EXTEND MY (OUR) LINE OF CREDIT, YOU MAY REQUEST A NEW REPORT WITHOUT TELLING ME (US). I (WE) AGREE TO BE BOUND BY THE TERMS SET FORTH IN THE CHARGE CARD AGREEMENT. I (WE) ACKNOWLEDGE RECEIPT OF THE STUDENT NATIONAL BANK AND TRUST COMPANY "TRUTH-IN-LENDING" DISCLOSURE STATEMENT.	X____________________ Applicant Signature Date X____________________ Co-Applicant Signature Date

ASSIGNMENT ANSWERS

APPLYING BASIC PRINCIPLES OF CREDIT

V

ASSIGNMENT SHEET 1

1. $600 x 13% x 9/12
$600 x .13 x 3/4 or (.75)
$600 x .13 x .75 = $58.50

Interest = $58.50

2. $400 x 15% x 6/12
$400 x .15 x 1/2 or (.50)
$400 x .15 x .50 = $30
$400 + $30 = $430

3. $850 - $600 = $250
$250 x 16% x 6/12
$250 x .16 x .50 = $20
$250 + $20 = $270

amount financed = $250.00

total amount = $270.00

4. $2200 x 18% x 24/12 =
$2200 x .18 x 2 = $792
$2200 + $792 = $2992

5. $2800 x 16% x 12/12 =
$2800 x .16 x 1 = $448
$2800 + $448 = $3248

ASSIGNMENT SHEET 2
ANSWERS

Bank Use Only ☐☐☐☐☐☐☐☐☐☐

PLEASE TELL US ABOUT YOURSELF

First Name (Please Print) Middle Last Name *Jason Michael Brown*	Social Security # *400-00-000*	Date of Birth *3-3-75*
Address City/State Zip *1100 North 50th Greenville, OK 66090*	How long? *18 years*	Telephone *405-627-8181*
Previous Address City/State Zip *1600 W. Maple Greenville, OK 66090*	How long? *1 month*	U.S. Citizen? Yes *X* No___
Nearest Relative Not Living With You *Jim Brown* Address City/State Zip *Route 1 Greenville, OK 66090*	Telephone: *405-811-1111* Relationship: *Uncle*	# of Dependents *None*
EMPLOYMENT INFORMATION Current Employer *Pizza Place*	How Long? *2 years*	Telephone *405-555-5555*
Address City/State *1000 Oak Lane Greenville, OK 66090*	Position *Cook*	Monthly Salary *$320*
Former Employer (or School Attended) *Greenville High School*	How long? *3 years* Telephone *366-6666*	Additional Income* *$60 from farm work*
FINANCIAL INFORMATION Bank or Financial Institution Address *First City Bank of Greenville 601 S. Main*	City/State/Zip *Greenville, OK 66090*	How long? *2 years*
Mortgage Holder or Landlord Own____ Rent____ *Not applicable*	Monthly Payment	Checking Acct. No. *01000* Savings Account No. 00010
CREDIT REFERENCES Name City/State/Zip *Snow, Inc. Centerville, OK 75092*	Account No. *707-895*	Payment *$50*
Name City/State/Zip *Sports Unlimited Greenville, OK 66090*	Account No. *609-805*	Payment *$150*
Name City/State/Zip *Bikes International Center City, OK 79073*	Account No. *695-092*	Payment *$50*
CO-APPLICANT INFORMATION (Must be completed to open a joint account) First Name (Please Print) Middle Last Name	Social Security #	Date of Birth
Current Employer	How long?	Telephone
Address City/State	Position	Monthly Salary
Former Employer (or School Attended)	How long? Telephone	Additional Income*

"Income from alimony, child support, or separate maintenance payments need not be revealed if you do not wish to have it considered as a basis of repaying the obligation.

I (WE) GIVE THE ABOVE INFORMATION FOR THE PURPOSE OF OBTAINING CREDIT. YOU ARE AUTHORIZED TO CHECK MY (OUR) CREDIT AND EMPLOYMENT HISTORY AND TO ANSWER QUESTIONS ABOUT YOUR CREDIT EXPERIENCE WITH ME (US). YOU MAY REQUEST A CREDIT REPORT ON ME (US) AND IF I (WE) ASK YOU WILL TELL ME (US) THE NAME AND ADDRESS OF THE CONSUMER REPORTING AGENCY THAT FURNISHED IT. IF YOU REVIEW, UPDATE, OR EXTEND MY (OUR) LINE OF CREDIT, YOU MAY REQUEST A NEW REPORT WITHOUT TELLING ME (US). I (WE) AGREE TO BE BOUND BY THE TERMS SET FORTH IN THE CHARGE CARD AGREEMENT. I (WE) ACKNOWLEDGE RECEIPT OF THE STUDENT NATIONAL BANK AND TRUST COMPANY "TRUTH-IN-LENDING" DISCLOSURE STATEMENT.	X____________________ Applicant Signature Date X____________________ Co-Applicant Signature Date

WRITTEN TEST

APPLYING BASIC PRINCIPLES OF CREDIT

V

NAME ______________________________ SCORE ______

OBJECTIVE 1

Match terms associated with obtaining and using credit and loans to their correct definitions. Write the correct letters in the blanks.

______1. The cost of borrowing a certain amount of money

______2. A form requesting credit. Contains financial and work history and information about the individual requesting credit

______3. A person's net worth, determined by their financial resources

______4. A loan given to a person on the person's promise to repay

______5. The amount of money borrowed

______6. When a creditor takes possession of goods because a debtor has not made payments

______7. Usually a plastic card issued by a business or bank enabling the bearer to make credit purchases

______8. One who uses other's money or purchases services or goods with the promise to pay back at a later date

a. Collateral

b. Credit union

c. Interest

d. Co-signer

e. Loan

f. Savings and Loan

g. Credit

h. Commercial bank

i. Credit bureau

j. Installment Account

k. Creditor

l. Debtor

m. Credit Card

n. ATM

o. Finance charge

p. Repossess

q. Credit application

r. Capital

______9. One who extends credit to another person with the other person's promise to pay back at a later date

______10. Ordinarily used for expensive purchases. The buyer has a set schedule of payments in which the finance charge has already been figured

______11. Often called a full service bank because they offer a variety of services

______12. A business that furnishes information about the credit standing of an individual or business

______13. Money advanced to a borrower, is repaid usually with interest

______14. Limit on amount of debt a person can accrue

______15. Differs from a commercial bank or savings and loan association in that services are for members only

______16. A loan that is made with collateral

______17. Credit extended by a bank or department store; usually are revolving charge accounts

______18. Determined by how willing the person is to pay their bills and pay them on time

______19. The ability of the person to repay the assets borrowed

s. Principle

t. Monthly statement

u. Unsecured personal loan

v. Character

w. Secured personal loan

x. Credit card account

y. Character

z. Board of Directors

aa. Credit rating

bb. Capacity

cc. Capital base

dd. Loan shark

ee. Line of credit

ff. Credit check

gg. Rule of 72

______20. A person who signs a credit contract agreeing to pay the contracted amount if the primary signer defaults (does not pay as agreed)

______21. Allows a borrower to use money, or purchase goods and services now and pay at a later date

______22. A gauge of how able and willing a person is to repay debt

OBJECTIVE 2

Select from the following list true statements about the advantages and disadvantages of using credit. Write an "X" in the blank before each correct answer.

Advantages

______1. The buyer can use products or services while they are paying for them.

______2. The buyer can save time by shopping over the telephone or by mail.

______3. You never have to pay interest.

______4. By using credit, a person is able to meet a financial emergency.

______5. Customer can take advantage of sales and specials.

______6. A person should use lots of credit to get a good credit rating.

Disadvantages

______1. Consumer may pay more for the item because they get it on credit

______2. Credit has an additional cost to the consumer in the form of interest or finance charge

______3. Helps the consumer keep better financial records

______4. Consumer may be subject to impulse buying

OBJECTIVE 3

Select from the following list true statements about major types of credit extended by business. Write an "X" before each correct answer.

______1. Installment credit does not require a down payment.

______2. Installment credit is paid out in specific payments over an agreed upon period of time.

______3. Interest is not charged on a revolving charge account.

______4. In a revolving charge account, a credit limit is set when the account is established.

______5. With an open account, a customer has a grace period to pay without an interest charge.

OBJECTIVE 4

Discuss two types of loans issued by banks and other lending institutions.

OBJECTIVE 5

Select from the following list ways to establish a good credit record. Write an "X" before each correct answer.

______1. Always pay bills on time or before they are due.

______2. With the exception of a home loan, do not budget more than 20 percent of income to pay debts.

______3. Buy all clothing with a credit card so it is easier to return.

______4. Understand and follow terms of a credit contract.

______5. Plan ahead how to make payments.

______6. Be sure to take as much time as possible to pay back loans.

______7. Pay bills whenever you can even if it means getting late notices.

______8. Think carefully before buying on credit.

OBJECTIVE 6

List five factors which determine amount of interest charged.

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

OBJECTIVE 7

Match sources of credit to their correct descriptions. Write the correct letters in the blanks.

______1. Offers cash loans at possibly higher interest rates than those offered at banks

______2. Offers policyholders the option of borrowing from cash value of policy at low interest

______3. Offers cash loans at extremely high interest rates

______4. Offers cash loans with or without interest

______5. Offers its own charge accounts, often accepts other credit cards and may hold merchandise in layaway

______6. Offers cash loans and credit cards to people with good credit ratings

______7. Offers its own credit card allowing holders to charge travel, entertainment and recreation expenses at participating businesses

______8. Issues credit cards for gasoline and other items sold at the company's outlets

______9. Offers cash loans to be repaid with interest in exchange for property left as collateral

a. Loan shark

b. Home Improvement

c. Private lender

d. Oil company

e. Federal Commerce Commission

f. Health and Dental Insurance

g. Finance Company

h. Educational Credit Card Company

i. Life Insurance Policy

j. Financial Institutions

k. Retail store

l. Fire and Theft Coverage

m. Travel and Entertainment Credit Card Company

n. Pawnbroker

OBJECTIVE 8 **List costs of credit.**

____

____

____

____

____

____

NOTICE The following assignment sheets are not part of the written test. If these activities have not been completed, check with the instructor.

OBJECTIVE 9 **Calculate simple interest.** RATING ______

OBJECTIVE 10 **Complete an application for credit.** RATING ______

WRITTEN TEST ANSWERS

APPLYING BASIC PRINCIPLES OF CREDIT

V

OBJECTIVE 1

1. o
2. q
3. r
4. u
5. s
6. p
7. m
8. l
9. k
10. j
11. h
12. i
13. e
14. ee
15. b
16. w
17. x
18. v
19. bb
20. d
21. g
22. aa

OBJECTIVE 2

Advantages
1, 2, 4, 5

Disadvantages
1, 2, 4

OBJECTIVE 3

2, 4, 5

OBJECTIVE 4

Answers should include two of the following:

- Bank credit card — A card that allows the bearer to charge items against an account at that bank
- Secured personal loan — a loan that is made with collateral
- Unsecured personal loan — A loan given to a person on the person's promise to repay

OBJECTIVE 5

1, 2, 4, 5, 8

OBJECTIVE 6

Answers should include five of the following:

- Individual's credit record
- Ability to pay
- Collateral offered
- Current rate of interest
- Length of loan
- Economic conditions
- Source of credit
- Purpose and type of loan granted

OBJECTIVE 7

1. g
2. i
3. a
4. c
5. k
6. j
7. m
8. d
9. n

OBJECTIVE 8

Answers should include:

- Interest
- Service charge
- Membership fee

OBJECTIVES 9 and 10

Refer to answers to Assignment Sheets 1 and 2.

OBJECTIVE SHEET

SECURING AUTOMOBILE AND PROPERTY INSURANCE VI

INTRODUCTION

Many people protect themselves from financial catastrophe by insuring their automobiles and other property. Hopefully, the insurance will never be used. An important reason for being covered by insurance is the peace of mind that it gives the policyholder. He or she feels more secure knowing that a part, if not all, of the cost of a fire, theft or automobile accident will be paid for by insurance. This unit covers concepts associated with automobile and property insurance.

UNIT OBJECTIVE

After completing this unit, the student should recognize different types of automobile and property insurance, have skills necessary to select an insurance company and agent and know factors which affect insurance rates. The student will demonstrate these competencies by completing the assignment sheet and written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to:

1. Match terms associated with automobile and property insurance to their correct definitions.
2. Select from a list guidelines for choosing an insurance agent.
3. Select from a list guidelines for choosing an insurance company.
4. Explain Financial Responsibility Laws.
5. Match types of automobile insurance to their correct descriptions.
6. List factors which affect automobile insurance rates.
7. Arrange in order steps in filing an insurance claim.
8. Explain the purpose of property and liability insurance.
9. Match types of property insurance coverage to their correct descriptions.

10. Explain the purposes of homeowner's insurance.

11. Match types of liability insurance to their correct descriptions.

12. Match types of homeowner's insurance coverage forms to their correct descriptions.

13. Explain what determines property insurance rates.

14. Select from a list purposes of having a household inventory.

15. List guidelines for making a household inventory.

16. Analyze an automobile insurance application. (Assignment Sheet 1)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss automobile and property insurance.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all computer and audiovisual equipment that will be needed for the unit.

DELIVERY

Objective 1

- Introduce unit by discussing the following points:
  - What is risk? What are common risks in everyday life?
  - How do people avoid loss from risks?
  - Survey class to find out their knowledge of insurance and their perceptions regarding the need for insurance.
  - Find out if students have ever had to use insurance. If so, what prompted the use?
  - Have students talk with their parents about the types of insurance they carry.
  - Provide students with the latest statistics regarding auto and property damage.
- Discuss terms and definitions. If possible, use examples to illustrate the terms.

Objective 2

- Explain the importance of selecting a reliable insurance agent.

Objective 3

- Discuss how to select an insurance company.
- Have available *Best's Insurance Reports* and explain how it is used.
- Assign students to find articles from newspapers or magazines about insurance companies, accidents and protection devices.
- Explain how the insurance commissioner is selected in your state.
- Discuss the function of the insurance commissioner.
- Explain that having insurance does not mean a claim will be settled exactly as the insured believes it should be. Claims that go to court may take years to settle.
- Have a group of students write to the state Insurance Commissioner's Office for information about state licensing requirements of insurance companies. The address is as follows:

  Insurance Commissioner
  State Insurance Building
  1901 N. Walnut Blvd.
  P.O. Box 53408
  Oklahoma City, OK 73152-3408

- Have students present the reply of their letter to the class.

Objective 4

- Invite an insurance agent to speak to class about auto insurance.
- Discuss financial responsibility laws.

Objective 5

- Review types of auto insurance with the class.

  Use Handout 1, "Auto Insurance: What Kind of Coverage?" and answers to Handout 1 to help students understand what risk is covered by each kind of automobile insurance.

- Point out that the minimum amount of auto liability coverage required in Oklahoma might not cover medical or property expenses incurred in an accident.

Objective 6

- Have students read the *U.S. News and World Report* article "A Crash Course in When to Come Clean." Use the article to discuss the following points:
  - How accidents cause auto insurance premiums to increase
  - How an unreported accident could increase driver's insurance rates, lead to that person's insurance being canceled and/or lead to a lawsuit against the driver

- Discuss factors affecting auto insurance rates.

- Use Handout 2, "Auto Insurance Stumpers," to generate class discussion about accidents that increase the cost of auto insurance.

- Use Handout 3, "Auto Insurance Cost Factors," to show class members how they rate with insurers.

Objective 7

- Discuss the steps in filing an insurance claim.
  Refer to Supplement 1 for information.

Objective 8

- Explain property and liability insurance.

- Use Handout 4, "Parts of a Property Insurance Policy."

Objective 9

- Discuss types of property insurance.

Objective 10

- Discuss the purposes of homeowner's insurance.
- Use Transparency Master 1, "Some Coverages Provided by Homeowner's Insurance."

Objective 11

- Explain that most people have package policies to insure against property damage. Package policies provide liability insurance and insure against several different kinds of losses to property and possessions.
- Annual burglary losses in the United States total more than $3 billion. A burglary occurs about every ten seconds. Federal Bureau of Investigation (FBI) statistics show that two out of three burglaries occur in homes, condominiums and apartments, with an average loss of $1,004 per residence.
- Insurance is needed by homeowners, mobile homeowners, condominium owners and renters.
- Renter's insurance is also called tenant's insurance. Insurance for renters focuses on protecting the insured's personal possessions and providing liability coverage.

Objective 12

- Review types of property insurance with the class. Point out that the kinds of property coverage and the names for property coverage vary with insurance companies and with what is insured.
- Use Transparency Master 2, "Perils Against Which Properties are Insured."
- Discuss recent events that demonstrate why people have property insurance.

  EXAMPLE: Floods, tornadoes, hailstorms

- Obtain a copy of a homeowner's or a renter's policy from a local insurance agent. With permission of the insurance agent and/or company, copy the policy and distribute copies to students. Discuss portions of the policy, pointing out that this activity promotes basic consumer protection. Knowledge is the consumer's power.

Objective 13

- Discuss what determines property insurance rates.

Objective 14 and 15

- Discuss purposes of having a household inventory.

- Give copies of "Your Household Inventory Record" to students. Have each student fill out an inventory with the help of his or her parents. Point out that students may also use photographs and videotapes to inventory household possession. Labels describing each item should be included on the backs of photographs. Verbal descriptions should be included on videotapes. Investigate which method of inventorying would be most acceptable to their insurance company. Inventory lists, photographs and videotapes should be kept in a safe place, such as a safety deposit box.

APPLICATION

Objective 16

- Instruct students to complete Assignment Sheet 1.

EVALUATION

Pretest

- Pretest students.

- Determine individual study requirements from pretest results.

- Counsel students individually on pretest results and study requirements.

- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in specific objectives.

- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities, if not previously done.

- Reteach and retest if necessary.

- Complete appropriate section of competency profiles.

- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons.

SUGGESTED RESOURCES

Computer Software

Insurance: Sorting It all Out

NOTE: Teachers may purchase this program by writing to MCE, Lawrence Productions, Inc., 1800 South 35th Street, P.O. Box 458, Galesburg, Michigan 49053-9900, or by calling 800-421-4157.

Publications

- *Air Bags: A Matter of Life or Death*
- *Auto Insurance Basics*
- *Careers in Property and Liability Insurance*
- *Chances Are*
- *Drunk Driving*
- *Educator's Guide to Teaching Auto and Home Insurance*
- *Home Insurance Basics*
- *Home Security Basics*
- *Homeowner's Security Basics*
- *Homeowner's Insurance Coverage* (wall chart)
- *How Insurance Works*

- *How to File an Insurance Claim*
- *Insurance Facts*
- *Insurance for the Car*
- *Insurance for the Home*
- *Oops!!*
- *Risk Management and Business Insurance*
- *Sample Auto and Homeowner's Policies*
- *Taking Inventory*
- *Tenant's Insurance Basics*
- *Why the Cost of Auto Insurance is Rising*

NOTE: The above materials are available through the Insurance Information Institute, 110 William Street, New York, New York, 10038, 212-660-9200 or by calling the toll free consumer hot line at 800-221-4954. Their brochure lists free and low cost resources for consumers.

- *Best's Insurance Reports.* Oldwick, New Jersey: A.M. Best Company, 1991.
- *Highway Loss Data Institute Injury and Collision Loss Information*
- *How Can I Control My Auto Insurance Costs?*
- *If You Rent, Could You Afford to Lose Your Personal Possessions?*
- *Insurance Facts for People Who Rent*
- *Your Household Inventory Record*

- *Why Are My Auto Insurance Premiums Going Up?*

NOTE: The above materials from Allstate Insurance Company are available from local Allstate agents, by writing to Business Services, Inc., 1000 Business Center Drive, Mt. Prospect, Illinois 60056 or by calling 708-309-9650. Other insurance companies may also provide informative brochures.

UNIT REFERENCES

- *Adult and Family Living*. Stillwater, Oklahoma: Oklahoma Department of Vocational and Technical Education, Curriculum and Instructional Materials Center, 1990.
- *Do You Have the Auto Insurance Coverage You Need?* Mt. Prospect, Illinois: Allstate Insurance Company, 1987.
- *Insurance Facts for People Who Rent*. Mt. Prospect, Illinois: Allstate Insurance Company, 1991.
- Lowe, Malouf, Jacobson. *Consumer Education and Economics*. Mission Hill, California: Glencoe Publishing Company, 1989.
- *Managing Personal Matters*. Stillwater, Oklahoma: Oklahoma Department of Vocational and Technical Education Curriculum and Instructional Materials Center, 1988.
- *Oops!!* New York: Insurance Information Institute. 1988.
- Sussman, Vic. "A Crash Course in When to Come Clean." *U.S. News and World Report*. November 6, 1989, p. 106.
- Wyllie, Eugene D. et al. *Consumer Economics*, 11th ed. Cincinnati, Ohio: South-Western Publishing Company, 1988.

PRETEST ANSWERS

SECURING AUTOMOBILE AND PROPERTY INSURANCE VI

OBJECTIVE 1

1. f
2. b
3. d
4. e
5. g

OBJECTIVE 2

1, 3, 4

OBJECTIVE 3

1, 2, 4

OBJECTIVE 4

Answers will vary but should include the following concept:

State requires vehicle owner or driver to have a minimum amount of liability coverage to protect others from loss in the case of an accident.

OBJECTIVE 5

1. e
2. d
3. b

OBJECTIVE 6

Answer should include five of the following:

- Age of insured
- Age of vehicle
- Amount of coverage and deductible
- Cost of repairs to vehicle
- Frequency of accidents in local area
- Frequency of vehicle use
- How vehicle is used
- Insured's driving record
- Insured's student record
- Marital status of insured
- Other drivers using insured's vehicle
- Safety devices in insured's vehicle
- Sex of insured
- Type of insured's vehicle
- Type of policy selected
- Where insured parks vehicle

OBJECTIVE 7

1, 3, 2

OBJECTIVE 8

Property insurance protects against loss or damage to real and personal property which reduces the hardship of unexpected loss. Also, it meets an individual's obligation to others who might suffer injury or loss.

OBJECTIVE 9

1. c
2. a
3. b

OBJECTIVE 10

Answer should include the following:

- Homeowner's insurance costs less than having separate policies.
- Homeowner's insurance protects your house or dwelling, appurtenant structure, and personal property.
- Homeowner's insurance provides additional living expenses if dwelling is uninhabitable.
- Homeowner's insurance provides liability insurance.

OBJECTIVE 11

1. b
2. a
3. c

OBJECTIVE 12

1. c
2. b
3. a

OBJECTIVE 13

Answers should include the following:

- Cost of dwelling/amount of coverage
- Fire fighting ability
- Location of dwelling
- Construction of dwelling
- Payment terms
- Replacement value of the home
- Deductible clauses
- Number of claims made to the insurance company

OBJECTIVE 14 1, 3

OBJECTIVE 15 Answers should include three of the following:

- List each item.
- Indicate quantity.
- Indicate room where item is located.
- Indicate date item was purchased.
- Indicate original purchase price.
- Indicate current value.
- Keep inventory up to date

OBJECTIVE 16 Refer to answers to Assignment Sheet 1.

AUTO INSURANCE: WHAT KIND OF COVERAGE?

INTRODUCTION

Automobile insurance is generally offered in a package policy. That package can include eight major kinds of auto insurance. It is up to a prospective buyer to understand how each of the eight kinds of insurance offers protection. Based on that knowledge, the buyer can then select which kinds of auto insurance is needed.

DIRECTIONS

Match the type of automobile insurance to the situation it covers. Select choices from the list following each situation. Write the correct letters in the blanks.

SITUATIONS

______1. John often makes turns without watching for pedestrians crossing the road. His carelessness finally catches up with him. When John makes a left-hand turn, he forgets to look for pedestrians and hits a man crossing the street. The pedestrian spends two days in the hospital being treated for his injuries. When the pedestrian leaves the hospital, he sues John for negligence (legally lacking in reasonable precaution, care or action). What kind of insurance will cover the claim if John is found liable for the accident?

a. Collision
b. Property damage liability
c. Bodily injury liability

______2. Juanita is late for work. She tries to make up time by driving over the speed limit. As a result, she skids out of control at a bend in the road and hits the side of someone's house. No one is injured in the accident, but the homeowner wants Juanita to pay for damages to the house. What kind of insurance will cover the cost of repairs to the house?

a. Property damage liability
b. Comprehensive physical damage
c. Medical payments

______3. Isaac is a marathon runner. Because he attends school and works during the day, he must train early in the morning or late at night. In the winter, his training schedule forces him to run when it is dark. He wears reflective tape on his clothes when he runs in the dark to alert drivers that he is on the road. One evening, a drunk driver without any automobile insurance hits Isaac. Isaac must spend two weeks in the hospital recovering from his injuries. Isaac cannot afford to pay for his medical expenses. What type of auto coverage will insure Isaac's medical costs are covered?

a. Uninsured motorist
b. Comprehensive physical damage
c. Collision

______4. Leah drives three of her friends 20 miles to see a football game. On the way home, she and another driver are involved in an automobile accident. One of Leah's friends breaks her arm in the accident. Leah's parents own the car Leah is driving and carry several types of coverage. Leah is included on the policy. The driver of the other car is also insured. Which kind of coverage will pay to have the friend receive medical treatment?

a. Property damage liability
b. Uninsured motorist
c. Medical payments

______5. Darrell has planned and saved for two years to buy a car. On the big day, disaster strikes. Driving his car home from the lot where he has just bought it, Darrell and another motorist run into each other. No one is injured. Darrell will not know who is at fault until the police arrive to investigate. Darrell is able to breathe a sigh of relief, though, because he knows his auto insurance will cover damages to his car. Which type of insurance will pay to repair Darrell's car?

a. Medical payments
b. No-fault protection
c. Collision

______6. Althea is driving home from school one Friday afternoon. Her brakes have not been working properly all week. She had meant to have a mechanic inspect the brakes, but had not had time to make an appointment. As she approaches a stop sign, she applies pressure to her brake pedal but nothing happens. Worried about trying to stop the car, she unintentionally turns the steering wheel to the right and hits a light pole. Fortunately, she has her seat belt buckled and is not seriously injured. She does have minor injuries, though. Three of her fingers are broken, and she wrenches her neck. Which of the coverages will pay for her medical expense?

a. Uninsured motorist
b. Property damage liability
c. No-fault protection

______7. Mario loves to go fishing. He often takes his car to a nearby lake to cast for bass and catfish. On one of his fishing expeditions, he parks his car under a big cottonwood tree. A wind and rainstorm hits suddenly. Before Mario reaches his car, the wind tears a branch off the cottonwood tree. The branch lands on Mario's car, denting the hood and cracking the windshield. What kind of insurance will pay for repairs to Mario's car?

a. Comprehensive physical damage
b. No-fault protection
c. Underinsured motorist

______8. Hannah is returning from a training workshop when another motorist runs a red light and hits the side of her car. Hannah is severely injured and must stay in the hospital for several weeks. The other driver, who is at fault in the accident, does not have enough insurance to cover all of Hannah's medical expenses. Hannah is covered by a package policy. Of the following types of insurance that Hannah has, which will pay for her medical expenses?

a. Bodily injury liability
b. Comprehensive physical damage
c. Underinsured motorist

ANSWERS TO HANDOUT 1

1. c Bodily injury liability pays for medical costs of others and for legal defense of the insured.

2. a Property damage liability pays for repair or replacement costs of another person's personal property because of damage the insured causes to the property. It also pays for legal defense fees that arise as a result of claims against the insured because of the accident.

3. a Uninsured motorist coverage provides protection against bodily injury caused by an uninsured motorist when that driver is legally liable for the injuries. Coverage applies whether the insured is driving a vehicle or is on foot and injured by a vehicle. Medical payments insurance would also pay for medical expenses.

4. c Medical payments covers medical expenses of passengers in the insured's car. If Leah is found legally liable for the accident, bodily injury liability would pay for medical expenses of other people injured. Bodily injury liability would pay for Leah's legal defense fees if she is sued. If Leah is found legally liable for the accident, property damage liability would provide coverage for damage to her passengers or the other driver's personal property. Property damage liability would pay for Leah's legal defense fees if she is sued.

5. c Collision pays for replacement or repair of the policyholder's vehicle if it is involved in a collision with another car.

6. c No-fault protection will pay for medical expenses of the insured. In states without no-fault protection, medical payments insurance would provide coverage.

7. a Comprehensive physical damage covers noncollision damage, including damage caused by falling objects, to the insured's vehicle.

8. c Underinsured motorist provides excess coverage when the liability coverage of the person at fault (the other driver in this situation) is not enough to cover the medical expenses of the "no-fault" person's bodily injuries. The "no-fault" person in this situation is Hannah. Medical payments insurance or no-fault protection would also provide Hannah with coverage for medical expenses.

AUTO INSURANCE STUMPERS

INTRODUCTION

As risk increases, the cost of insuring against that risk also increases. This handout points out risks of driving and how these risks increase the personal and financial costs of operating motor vehicles.

DIRECTIONS

Work together in a small group to answer the following questions or determine if a given statement is true or false. Each of the questions and statements relates to facts about drivers on American roads.

IMPAIRED DRIVERS

Drunk Driving

Answer the following seven questions related to drunk driving.

1. Motor vehicle accidents caused by drunk drivers injure nearly 1.5 million people every year. The annual death toll caused by drunk drivers comes close to the number of people that would be killed in 100 jumbo jet crashes with no survivors. Based on this information, about how many people are killed each year by drunk motor-vehicle drivers?

   ____

2. Approximately how much money does society lose in wages, productivity, medical expenses, legal costs and buying power every year because of injuries caused by drunk driving crashes?

   ____

3. On the average, one out of how many drivers on the road are legally drunk? ______________________

   NOTE: Someone is legally drunk when his or her blood-alcohol concentration reaches 0.10 percent.

4. On weekend nights, one out of about how many drivers on the road are legally drunk? ______________________

5. About how many people are killed each day by drunk drivers?

____

6. Alcohol plays a role in approximately what percentage of all fatal automobile accidents? ____________________

7. Drunk drivers take their tragic toll in personal and financial ways. Based on facts cited in questions 1 through 6, about how much of each person's auto insurance dollar is used to pay for the personal and financial damage caused by drunk drivers?

____

Accident Facts

Determine if each of statements 8 through 13 is true or false. Then write "True" or "False" in the blank to the left of each statement.

______8. People between 15 and 24 years old are the major victims of all motor vehicle fatalities.

______9. Motor vehicle crashes are the leading killers of Americans less than 35 years old.

_____10. Approximately half of all deaths of people 16 to 19 years old are due to auto crashes.

_____11. Most driving fatalities happen during the day, in summer and on Monday morning.

_____12. In three out of ten motor vehicle accidents, "driving too fast for conditions" is listed as the major cause.

_____13. The annual economic cost of all motor vehicle accidents is more than $84 billion.

Cost Factors

Determine if each of statements 14 through 19 is true or false. Then write "True" or "False" in the blank to the left of each statement.

_____14. Female drivers 25 years of age and younger generally cost more to insure than male drivers in the same age group.

_____15. Drivers younger than 25 years of age generally cost more to insure than drivers older than 25 years.

_____16. Married male drivers cost less to insure than unmarried male drivers in the same age group.

_____17. Someone in a rural area will generally pay less for auto insurance than someone in an urban area.

_____18. Someone who drives long distances to work each day will generally pay more for insurance than someone who drives short distances to work each day.

_____19. A new sports car will usually cost less to insure than a used economy car.

ANSWERS TO HANDOUT 2

Drunk Driving

1. 20,000 people
2. $24 *billion* each year
3. One out of fifty drivers on the road
4. One out of ten drivers on the road
5. About seventy a day (one person every 20 minutes)
6. More than 50 percent of all fatal automobile accidents
7. More than 25 cents of each automobile insurance dollar (more than one-fourth)

Accident Facts

8. True
9. True
10. True
11. False — Most driving fatalities occur during the winter, at night and on the weekend.
12. True
13. True

Cost Factors

14. False — Just the opposite is true. Male drivers 25 years of age and younger cause more accidents than do females in the same age group.
15. True — Young drivers have more accidents than people in any other age category.

16. True — Unmarried male drivers cause three times more in financial damage than do married male drivers of the same age. According to statistics, married males are "safer" drivers than their unmarried counterparts. For example, married male drivers generally drink less alcohol and drive fewer miles than do their unmarried counterparts.

17. True — In urban areas, there are more people driving vehicles than in rural areas. Therefore, the risk of having an automobile accident in an urban area is greater than in a rural area. Greater risk means higher insurance rates.

18. True — More miles on the road creates a greater risk of having a motor vehicle accident. So someone who drives several miles to work every day is statistically more likely to have an automobile accident than someone who drives only a few miles to work each day. The higher the risk, the more the insurance costs.

19. False — A new sports car has a higher price tag than an economy car does. A new sports car would also be more tempting to steal. So the sports car would cost more to insure.

Handout facts gathered from *Air Bags are Life Savers*, Insurance Information Institute; *The Big Jump*, CUNA Mutual Insurance Group and Credit Union Association, Inc; and *The Drunk Driver May Kill You*, Allstate Insurance Company.

HANDOUT 3

SECURING AUTOMOBILE AND PROPERTY INSURANCE

VI

AUTO INSURANCE COST FACTORS

INTRODUCTION A person pays more for auto insurance if that person's insurance company places him or her in a high-risk category.

DIRECTIONS To find out how you would rate with an insurer, fill in the boxes below that pertain to you. More boxes check in the left-hand column means higher auto insurance costs.

Fill in Appropriate Boxes

FACTORS THAT COULD RAISE YOUR COST	
Male	
Under 30 Years Old	
Single	
Newer Car	
City Driving	
Over 10 Miles to Work	
Expensive Car	
Full-Size Car	
Recent Auto Accident	
Recent Traffic Violation	
High-Performance Car	
Drive to Work Alone	
Over 7500 Miles a Year	
No Driving School	
Car in High-Crime Area	
On Street Parking	
Smoker	
Drinker	
Low Deductible	

	FACTORS THAT COULD LOWER YOUR COST
	Female
	Over 30 Years Old
	Married
	Older Car
	Country Driving
	Under 10 Miles to Work
	Inexpensive Car
	Compact Car
	Accident-Free
	No Traffic Violations
	Low-Performance Car
	Car Pool
	Under 7500 Miles a Year
	Driving School
	Car in Low-Crime Area
	Garage Parking
	Non-Smoker
	Non-Drinker
	High Deductible

FACTORS THAT COULD RAISE YOUR COST	
Business Use	
Children Driving	
No Crash Bumpers	
No Anti-Theft Devices	
No Automatic Seat Belts	
No Air Bags	
High-Risk Occupation	
More Than One Driver	

Fill in Appropriate Boxes

	FACTORS THAT COULD LOWER YOUR COST
	Non-Business Use
	No Children Driving
	Crash Bumpers
	Anti-Theft Devices
	Automatic Seat Belts
	Air Bags
	Low-Risk Occupation
	One Driver

*Not all insurance companies use all of these factors.

Used with permission of JKM Publishing Company.

PARTS OF A PROPERTY INSURANCE POLICY

INTRODUCTION

The most important item when buying insurance is the insurance policy. The policy spells out the rights and obligations of the insurance company and the person buying the insurance. The insured should know what the parts of a policy are and how each of the parts affects the insured. Most property insurance policies will have the following seven parts:

- **Declarations** — Lists personal information given by insured to insurance company; gives length of time policy covers and maximum payment company will make under each coverage; describes property that is insured
- **Insuring agreement** — Company's promise to pay any losses covered by the policy
- **Definitions** — Information about terms used in the policy
- **Coverage** — Information as to what the policy will cover
- **Exclusions** — Listing of perils for which the company will not cover

  NOTE: Injuries or damages caused intentionally by the policyholder are normally excluded.
- **Conditions** — Clarification of the rights and obligations of the company and policyholder

  NOTE: This section gives information about how to collect after a loss, payments and termination of the contract.
- **Endorsements** — Any additions made to the contract

PRETEST

SECURING AUTOMOBILE AND PROPERTY INSURANCE VI

NAME ______________________________ **SCORE** ______

OBJECTIVE 1

Match terms associated with automobile and property insurance to their correct definitions. Write the correct letters in the blanks.

______1. Representative of an insurance company who sells various types of insurance policies to consumers

______2. Increase in value

______3. Person(s) who owns insurance policy

______4. Enforces all laws and regulations pertaining to insurance, set forth by the state

______5. Responsible according to law

a. Indemnity

b. Appreciate

c. Appraisal

d. Policyholder

e. Commissioner of Insurance

f. Insurance agent

g. Liable

h. Federal

OBJECTIVE 2

Select from the following list guidelines for choosing an insurance agent. Write an "X" in the blank before each correct answer.

______1. Is the agent reliable and easy to reach?

______2. Is the agent male or female?

______3. Is the agent licensed by the state?

______4. Is the agent honest and interested in your needs?

______5. What is the agent's age?

OBJECTIVE 3

Select from the following list guidelines for choosing an insurance company. Write an "X" in the blank before each correct answer.

______1. Competitive cost of premiums

______2. Licensed in the state in which it operates

______3. Located in an upwardly mobile office complex

______4. Financially sound

______5. Classy receptionist and decor

OBJECTIVE 4

Explain Financial Responsibility Laws.

____

____

____

____

____

____

OBJECTIVE 5

Match types of automobile insurance to their correct descriptions. Write the correct letters in the blanks.

______1. Protects the insured if the vehicle is hit by an uninsured motorist or a hit and run driver

______2. Pays for replacement or repair of an insured vehicle involved in a collision with another car or object or one that has overturned

______3. Protects the vehicle in non-accident situations if it is damaged or stolen

a. No-fault insurance

b. Comprehensive Physical Damage

c. Medical Payment coverage

d. Collision Insurance

e. Uninsured motorists

OBJECTIVE 6 **List five factors which affect automobile insurance rates.**

OBJECTIVE 7 **Arrange in order steps in filing an insurance claim.**

______ Obtain information necessary to file claim.

______ Give agent circumstances of loss.

______ Contact insurance agent.

OBJECTIVE 8 **Explain the purpose of property and liability insurance.**

OBJECTIVE 9

Match types of property insurance coverage to their correct definitions. Write the correct letters in the blanks.

______1. Protects items in your home or with you when you are away from home

______2. Protects your home and belongings against damage caused by lightening

______3. Protection covers accidents on your property or damage done to another's property

a. Fire insurance

b. Liability insurance

c. Theft insurance

OBJECTIVE 10

Explain the purposes of homeowner's insurance.

OBJECTIVE 11

Match types of liability insurance to their correct descriptions. Write the correct letters in the blanks.

______1. Pays for minor damages to property accidentally caused by any member of an insured family

______2. Protects the homeowner from accidental injury claims of others arising from actions of homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault.

______3. Protects insured against claims arising from bodily injury to others or damage to property of others.

a. Medical payments

b. Physical damage coverage

c. Personal liability

OBJECTIVE 12

Match types of homeowner's insurance coverage forms to their correct descriptions. Write the correct letters in the blanks.

______1. Policy for the homeowner who wants extensive protection; most popular form of homeowner's insurance and most expensive

______2. An "all-risks" policy; covers all perils except those excluded from the policy

______3. Policy covers the most common perils and is least expensive

a. Basic form HO-1

b. Comprehensive form HO-5

c. Special form HO-3

OBJECTIVE 13 **Explain what determines property insurance rates.**

OBJECTIVE 14 **Select from the following list purposes of having a household inventory.** Write an "X" in the blank before each correct answer.

______1. Planning how much insurance to carry

______2. Determining who should get the car

______3. Determining net worth

______4. Filing income tax return

OBJECTIVE 15 **List three guidelines for making a household inventory.**

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objective.

OBJECTIVE 16 **Analyze an automobile insurance application.** SCORE ______

SECURING AUTOMOBILE AND PROPERTY INSURANCE

OBJECTIVE 1

Match terms associated with automobile and property insurance to their correct definitions.

- **Appraisal** — Opinion as to the fair market value of property, based on an inspection of the site and experience of the appraiser
- **Appreciate** — Increase in value
- **Appurtenant structures** — Structures on property other than home
- **Binder** — Agreement given to agent by the insurance company to insure with agreement of payment within 48 hours normally
- **Claim** — Request for payment of a loss
- **Claims adjuster** — Person responsible for deciding how much is to be paid in settlement
- **Coinsurance clause** — States what percentage of a loss the policyholder pays and what percentage the insurance company pays
- **Commissioner of Insurance** — Enforces all laws and regulations pertaining to insurance, set forth by the state
- **Coverage** — Risks for which policy will pay; maximum dollar amount that the insurer will pay to settle a claim
- **Deductible clause** — A clause that makes the policyholder responsible for a part of any loss covered by the insurance policy before the insurance company becomes liable for loss
- **Depreciate** — Decrease in value
- **Exclusion** — Listing of perils for which the company will not pay
- **Financial Responsibility Laws** — State laws designed to force drivers to meet their financial obligations before they are allowed to drive

- **Insurance agent** — Representative of an insurance company who sells various types of insurance policies to consumers

- **Insured** — Person protected by insurance

- **Insurer/underwriter** — Party from whom the insured buys insurance and who agrees to pay loss

- **Liability insurance** — Protection against losses resulting from lawsuits or claims against the insured

- **Liable** — Responsible according to law

- **Personal property** — Household contents and other personal belongings used, owned, worn or carried by residents; not attached to the land

- **Policy** — Insurance contract between the insured and the insurance company

- **Policyholder** — Person(s) who owns insurance policy

- **Premium** — Amount of money paid on periodic basis by the owner for insurance coverage

- **Property insurance** — Protection against losses from damage to or destruction of real or personal property

- **Real property** — Refers to land and property permanently attached to it

- **Renter or tenant policy** — Is the same as a homeowner's policy except it protects the possessions of apartment dwellers against damage or loss caused by fire and other perils covered in the policy. It, of course, does not protect the structure of the building.

- **Replacement cost extension** — Replaces items on a cost basis not a depreciation basis

- **Settlement** — Amount decided upon as proper for bringing an end to a claim

- **Special rider** — An additional clause attached to a document, usually unrelated to the main body

OBJECTIVE 2 **Select from a list guidelines for choosing an insurance agent.**

People usually buy insurance through an insurance agent. The agent may be self-employed; an independent who sells many kinds of insurance for a number of different companies; or an employee of a particular firm.

Select an agent who is:

- Reliable, can answer your questions and is easy to reach
- Knowledgeable and can offer advice on the advantages or disadvantages of policies
- Licensed by the state
- Certified in the area of life insurance (Chartered Life Insurance Underwriter) or property insurance (Chartered Property and Casualty Underwriter)
- Honest
- Interested in your needs

  NOTE: The insurance agent is not to recommend any certain amount of coverage for a consumer. The agent is to present to the consumer the amounts of coverage available and let the consumer decide on the amount of coverage needed.

- Responsible for notifying the claims adjuster when there is a claim

  NOTE: The insurance agent is responsible for following up the notification of the adjuster if the consumer is not contacted by the adjuster in a reasonable length of time. A reasonable length of time should be no longer than five days after the mishap.

OBJECTIVE 3 **Select from a list guidelines for choosing an insurance company.**

The insurance agent represents an insurance company. The company may specialize in selling one type of insurance or it may sell all kinds of insurance coverage.

Select a company that:

- Is licensed in the state in which it operates
- Is financially sound
- Settles claims promptly
- Has nationwide claim service
- Has competitive cost of premiums
- Can update your insurance needs

OBJECTIVE 4 **Explain Financial Responsibility Laws.**

With driving comes responsibility. The driver has the responsibility of not causing injury to self, others or vehicles. Insurance is required by law for coverage of damage to the other driver or to the other vehicle in case of an accident. This requirement is called **Financial Responsibility Laws.** If the driver is involved in an accident or is stopped by an officer and does not have insurance, the driver may have to post bond, go to jail, be fined or suspend driving privileges.

OBJECTIVE 5 **Match types of automobile insurance to their correct descriptions.**

- **Bodily Injury Liability** — Protects the insured in an accident that was their fault; pays for medical and funeral expenses of the insured person, insured's family members and any passengers who are injured or killed in the insured's vehicle

  NOTE: Bodily Injury Liability covers anyone who drives the insured's vehicle with their permission and all licensed members of the insured's family. Licensed members of the insured's family are covered while driving another person's vehicle with the owner's permission. Coverage protects the insured against claims of accident victims for medical bills, pain, suffering, lost wages, disease or death. Vehicle owners should consider carrying more than the minimum coverage requirement. In deciding on the amount of insurance to have, consider the cost of a new vehicle and the amount of your assets.

- **Collision Insurance** — Pays for replacement or repair of an insured vehicle involved in a collision with another car or object or one that has overturned

  NOTE: Pays up to the actual cash value of the vehicle coverage. The premium can be reduced by increasing the amount of the deductible such as from $100 to $250, $500 or as high as $1,000. The cost of collision insurance varies by the year and make of the vehicle; geographical location of the individual; marital status, age and sex of the individual.

- **Comprehensive Physical Damage Coverage** — Protects the vehicle in non-accident situations if it is damaged or stolen

  NOTE: Damages include fire, theft, glass breakage, falling objects, vandalism, riot, explosion, earthquake, lightening, water, windstorm, hail, and collision with an animal. Collision and comprehensive physical damage coverage are normally required for someone who has a car loan. For example, you pay $15,000 for new car and it is stolen three years later at a cash value of $11,000. The insurance company would only pay you $11,000 minus your deductible.

- **Medical Payment Coverage** — Pays for medical and funeral expenses of the insured which includes family members if an accident occurs while riding in your vehicle, someone else's vehicle or if struck while walking; coverage is provided regardless of who is at fault

  NOTE: Medical expenses are covered up to your policy limits and usually within one year of date of accident. Medical expenses include surgery, x-ray, dental services, hospital care, ambulance service, professional nursing, prosthetic devices, pharmaceutical needs and funeral costs.

  A person should consider the costs of the medical payment coverage premium amount in relation to health insurance. Coverage may be duplicated. Still you may want to consider coverage for non-family members while in your vehicle.

- **No-Fault Insurance** — Allows each insured driver in an accident to file a claim for medical expenses and sometimes for lost wages with his or her own insurance company; reduces legal time

  NOTE: Coverage applies regardless of who is at fault. It also reduces the rights of the injured party to sue. Most no-fault insurance has set dollar limits and may not provide enough coverage for the seriously injured. The insured may experience financial hardship. No-fault insurance is not available in every state and coverage varies from state to state. If you drive in a state that does not have no-fault insurance you will need liability insurance coverage.

- **Property Damage Liability** — Pays for repair or replacement costs of another person's personal property because of damage insured driver causes to that property; pays for legal defense of insured

  NOTE: Property Damage Liability protects all members of the insured's family and those driving the vehicle with permission when they damage the property of others. Property damage includes such items as traffic control lights and signs, fire hydrants, telephone poles, lamp posts, trees and lawns. Property damage coverage is usually included with bodily injury — 10/20/25. The first two figures referring to bodily injury and the third to property damage coverage.

- **Underinsured Motorists** — Provides additional coverage when the liability coverage of the driver at fault is not enough to cover medical expenses for another person's bodily

  NOTE: Only some states require this protection.

- **Uninsured motorists** — Protects the insured if the vehicle is hit by an uninsured motorist or a hit and run driver

  NOTE: Uninsured motorist coverage applies whether the insured and his or her family members are driving a vehicle or are pedestrians injured by a vehicle.

OBJECTIVE 6

List factors which affect automobile insurance rates.

Insuring against several types of losses can add up. It is, therefore, a good idea to know what affects the cost of different kinds of insurance and to look for ways to reduce the costs.

NOTE: Before an individual can buy auto insurance, he or she must have a valid driver's license.

Factors which affect auto insurance rates include:

- Age of insured
- Age of vehicle

  NOTE: Coverage for older vehicles usually costs less than coverage for newer vehicles. Vintage models (old cars worth a lot of money because people collect and restore them) are the exception to this rule. Coverage for vintage models usually carries a high premium due to the value of the car. On the other hand, old cars that are not worth much money may not be worth the cost of collision and/or comprehensive coverage. Premium payments for coverage of these low-value vehicles may exceed what the cars are worth. Drivers who do or do not have collision and/or comprehensive coverage *must* still have liability coverage.

- Amount of coverage and deductible
- Cost of repairs to vehicle
- Frequency of accidents in local area
- Frequency of vehicle use

  NOTE: Some insurance companies offer discounts of 10 to 20 percent for people who car pool to work.

- How vehicle is used
- Insured's driving record

- Insured's student record

  NOTE: Honor students, students in the top 20 percent of their class and students with B averages or better may be eligible for good student discounts of up to 25 percent for auto insurance (under parents' policy only).

- Marital status of insured

  NOTE: Young, married drivers usually have "safer" driving habits than their young, unmarried counterparts do. So young, married drivers usually pay less for auto insurance than do their young, unmarried counterparts.

- Other drivers using insured's vehicle

- Safety devices in insured's vehicle

  NOTE: Anti-theft and other vehicle safety devices can reduce insurance rates by up to 15 percent. Some policies offer 10- to 30-percent discounts on autos with driver and passenger safety devices such as automatic seat belts and/or air bags.

- Sex of insured

  NOTE: Among drivers 25 years or younger, females generally have safer driving records and therefore pay less for auto insurance than males pay.

- Types of insured's vehicle

- Type of policy selected

- Where insured parks vehicle

  NOTE: Parking a vehicle in a garage or other safe place may allow insured to qualify for a garage discount of 5 to 15 percent.

OBJECTIVE 7 **Arrange in order steps in filing an insurance claim.**

1. Obtain information necessary to file claim.

   EXAMPLE: After an auto accident write down other driver's name and other personal information and the name of that driver's insurance company.

2. Contact insurance agent.

3. Give agent circumstances of loss.

OBJECTIVE 8 **Explain the purpose of property and liability insurance.**

Everyone is exposed to a variety of risks. Just as in owning a vehicle, some of the same risks are involved in owning other property — accidents, death, disability, fire, theft, vandalism, loss of property and injury to others. To limit economic loss, property and liability insurance are needed.

Property insurance protects against loss or damage to real and personal property which reduces the hardship of unexpected loss. Property liability pays for minor damages to property accidentally caused by any member of the insured family; payment is made regardless of who is at fault. Also, it meets an individual's obligation to others who might suffer injury or loss.

NOTE: Each risk such as fire or theft can be covered separately or combined into a homeowner's policy.

OBJECTIVE 9 **Match types of property insurance coverage to their correct descriptions.**

- **Fire insurance** — Standard policies protect your home and belongings against damage caused by fire and lightening, including smoke and water damage.

  NOTE: Extended coverage may be needed for damages from storms, hail, wind, explosions, riot, crashes of vehicles or aircraft into your property, vandalism, falling trees and glass breakage. To establish a claim in the event of a loss, notify company to protect property from further damage, and render proof of loss.

- **Theft Insurance** — Protects items in your home or with you when you are away from home; coverage is in force if items are stolen from your locked vehicle.

  NOTE: High cost items are not covered such as fine jewelry, furs, antiques, expensive photographic equipment, musical instruments, collections, and sports equipment. The items can be added by a mini policy or rider. Items have to be appraised for their value.

- **Liability Insurance Protection** — Covers accidents on your property or damage done to another person's property. It provides protection if injury or damage is caused by you, someone in your family or your pets at another location.

OBJECTIVE 10 **Explain the purposes of homeowner's insurance.**

- Homeowner's insurance is a package concept. It provides for a combination of coverages; broad coverage at a low cost; and basic, broad or comprehensive coverage. It includes fire, personal theft and comprehensive personal liability. The main advantage is that it costs 20 to 30 percent less than three separate policies.

- Homeowner's insurance protects your house or dwelling, appurtenant structure and personal property.

  NOTE: One must live in stated structure for it to be insured. Homeowner's insurance provides no coverage for commercial buildings, rental buildings or vehicles. Your home must be insured for at least 80% of its appraised value to obtain a loan.

- Additional living expenses are provided if damage is extensive and the dwelling is not habitable. The insurance company will pay for your increased living expenses up to the limits of your policy.

- Homeowner's liability covers bodily injury, personal liability for property damage, medical payments for minor accidents and physical damage.

OBJECTIVE 11 **Match types of liability insurance to their correct descriptions.**

Liability insurance offers protection to you from person(s) other than family members or tenants who file a claim or lawsuit against you for property damage or personal injury.

EXAMPLE: Someone falls down your steps, is bitten by your dog or a neighbor's child gets hurt on your property

- **Personal liability** — Protects insured against claims arising from bodily injury to others or damage to property of others.

  NOTE: No claim is paid by the insurance company unless it has been established that the insured is legally liable.

- **Medical payments** — Protects the homeowner from accidental injury claims of others arising from actions of homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault.

- **Physical damage coverage** — Pays for minor damages to property accidentally caused by any member of the insured's family.

- **Automobile liability insurance** — Provides protection for the driver from costs due to property damage, injury or even death because there is no way of predicting when an accident may occur or to whom it may happen.

  NOTE: Some states require a general liability insurance before a person can receive a license and/or plates.

OBJECTIVE 12

Match types of homeowner's insurance coverage forms to their correct descriptions.

Homeowner's insurance policies are sold in forms. These forms include:

- **Basic Form HO-1** — Covers the most common perils and is the least expensive

  EXAMPLES: Fire, theft, windstorm, vandalism

- **Broad Form HO-2** — Adds coverage for damage caused by burst pipes, electrical problems, falling objects and building collapse.

- **Special Form HO-3** — Is meant for the homeowner who wants extensive protection; most popular form of homeowner's insurance and most expensive

  NOTE: Sewer back-up is never covered on a Homeowner's policy; floods and earthquakes are also excluded.

- **Tenants Form HO-4** — Policy for renters; also called the "contents form" because it insures household contents only

- **Comprehensive Form HO-5** — Sometimes called an "all-risks" policy; covers all perils except those excluded from the policy, usually includes landslides, tidal water or wave, war and nuclear radiation

- **Condominium Owners Form HO-6**

  NOTE: Additional insurance policies may encompass flood insurance, earthquake insurance and crime insurance. Extended coverage may be purchased for medical payments, physical damage to property of others, theft of property, replacement cost extension and additional living expense.

OBJECTIVE 13

Explain what determines property insurance rates.

Property insurance rates are based on:

- Cost of dwelling/amount of coverage

- Fire fighting ability which includes fire department equipment, efficiency and dependability, alarm system and closeness of water supply

- Location of dwelling

- Construction of dwelling — Frame versus brick

- Payment terms in reference to monthly versus annually

NOTE: Usually there is a service charge if payments are made monthly. If payments are made annually the payment terms are usually less expensive.

- Replacement value of home — It is very important to keep the home adequately insured. Most homes will appreciate in value. Very few depreciate.

- Deductible clauses — Premiums increase as amount of deductible decreases.

- Number of claims made to the insurance company

  NOTE: When the size and number of claims and dollar cost paid out rise, premiums rise.

OBJECTIVE 14

Select from a list purposes of having a household inventory.

An inventory is needed for:

- Planning how much insurance to carry
- Determining net worth
- Filing a claim
- Planning future needs and spending

OBJECTIVE 15

List guidelines for making a household inventory.

- List each item.

  NOTE: Taking photographs or video taping items may be helpful to provide proof of valuables. Serial numbers also provide positive identification.

- Indicate quantity.

  EXAMPLE: Three lights

- Indicate room where item is located.
- Indicate date item was purchased.
- Indicate original purchase price.
- Indicate current value.
- Keep inventory up to date.

PROCEDURES TO FOLLOW AFTER AN ACCIDENT OR THEFT OR DAMAGE OF A VEHICLE

The following are procedures to follow in the event of an accident.

1. Remain at the scene of the accident until police arrive.
2. Try to protect accident scene so police may obtain accurate data about the accident.
3. Give police any information they require.
4. Ask investigating officer where a copy of the police report can be obtained. This report may be needed to support a claim submitted to an insurance company.
5. Record information of other drivers — their name, address, phone number, insurance identification, driver's license number.
6. Get names, addresses and phone numbers of passengers.
7. Get the names, addresses and phone numbers of people who saw the accident.
8. Write down the names and badge numbers of investigating officers and other emergency personnel.
9. Write down license number as well as the type and model of each vehicle involved in the accident.
10. Write down details of accident.
11. Contact the insurance company or agent immediately.
12. Keep copies of the accident information.

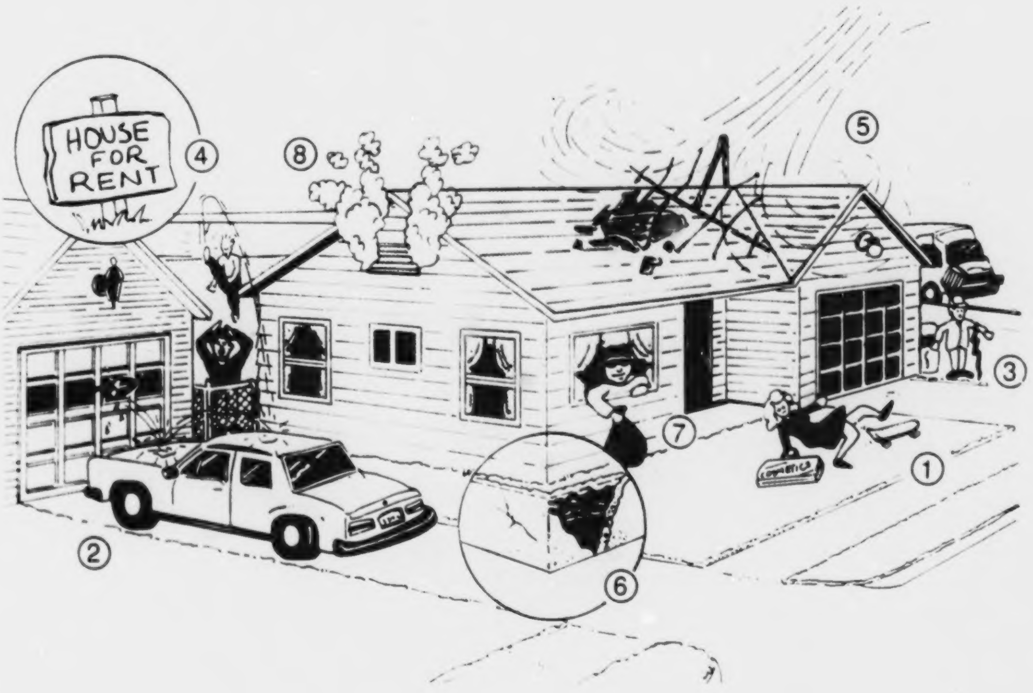
The following are procedures for filing a claim for a damaged or stolen vehicle.

1. Call the insurance company or agent immediately.

2. Provide insurance company with:
   - Make and model of car
   - Year of car
   - Identification number
   - Tag number
   - Possible location of theft .
   - Police report file number and officer's name
   - Insurance number
   - Provide any other information they might need
3. Keep records of expenses.
4. Save copies of all paperwork.

Information from the brochures *How to File an Insurance Claim, 10 Questions Consumers Most Frequently Ask about Auto and Home Insurance*, and/or *Oops!!* will help with this activity.

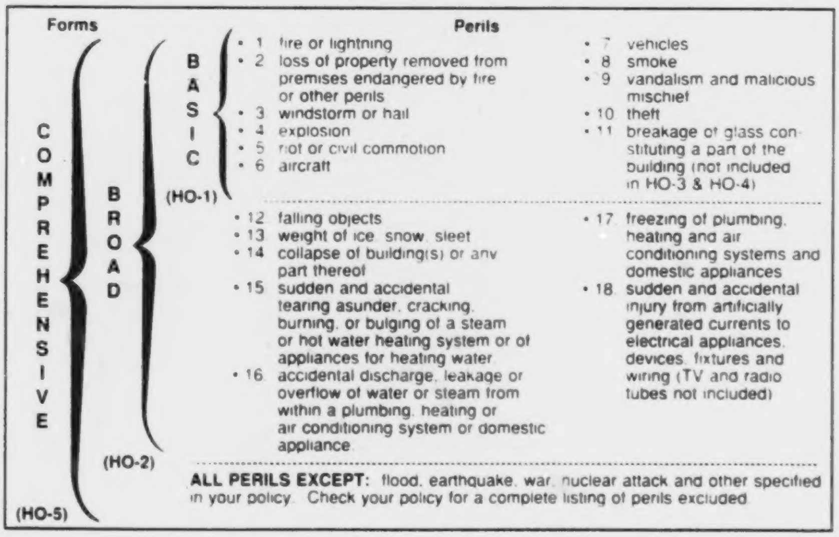
Some Coverages Provided by Homeowner's Insurance



1. Bodily injury liability
2. Property damage liability (owner's fault)
3. No-fault medical payments
4. Additional living expenses
5. Storm damage
6. Water damage
7. Theft
8. Fire

Perils Against Which Properties are Insured

Homeowners Policy



- 1 fire or lightning
- 2 loss of property removed from premises endangered by fire or other perils
- 3 windstorm or hail
- 4 explosion
- 5 riot or civil commotion
- 6 aircraft
- 7 vehicles
- 8 smoke
- 9 vandalism and malicious mischief
- 10 theft
- 11 breakage of glass constituting a part of the building (not included in HO-3 & HO-4)
- 12 falling objects
- 13 weight of ice, snow, sleet
- 14 collapse of building(s) or any part thereof
- 15 sudden and accidental tearing asunder, cracking, burning, or bulging of a steam or hot water heating system or of appliances for heating water
- 16 accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air conditioning system or domestic appliance
- 17 freezing of plumbing, heating and air conditioning systems and domestic appliances
- 18 sudden and accidental injury from artificially generated currents to electrical appliances, devices, fixtures and wiring (TV and radio tubes not included)

ALL PERILS EXCEPT: flood, earthquake, war, nuclear attack and other specified in your policy. Check your policy for a complete listing of perils excluded.

Used with permission of Glencoe Publishing Company, Inc. from *Consumer Education and Economics* by Dr. Wilmer Maedke, Dr. Ross Lowe & Charles A. Malouf, 1990.

PERSONAL PROPERTY INVENTORY

Insurance on personal property can cover losses due to theft, fire, smoke or water. In order to file an accurate claim, you should have an inventory of your property. The inventory should include an estimate of the cost of each item, serial number and date of purchase.

Using the following form, make an inventory of your personal property.

PERSONAL PROPERTY INVENTORY

Serial #	Item	Number	Original Cost	Item	Number	Original Cost	Year
	Clothing Dresses or suits			**School Materials** Books			
	Skirts or slacks			Equipment (art, music, mechanical, science, desks, etc.)			
	Blouses or shirts			Other			
	Coats, incl. raincoats, jackets, and sweaters			**Sports/ Hobbies** Baseball equipment			
	Pairs of shoes/ boots			Coins/stamps			
	Bathing suits			Basketball equipment			
	Underclothing/ robes			Antiques			
	Other			Bowling equipment			
	Electrical Radio			Diving equipment			
	Television			Microscope			
	VCR			Fishing equipment			
	Stereo			Telescope			

Serial #	Item	Number	Original Cost	Item	Number	Original Cost	Year
	Electrical (continued)			**Sports/Hobbies (continued)**			
	Tape player/ recorder			Football equipment			
	Computer			Skiing equipment			
	Study lamps			Aquaria/fish			
	Guitar, amplifier			Other			
	Clock			**Other Property**			
	Electric Blanket						
	Hair dryer						
	Shaver						
	Other						
	Jewelry Watches						
	Rings						
	Other			**TOTAL COST**		$	

Write your answers to these questions:

1. What is your estimate of the total purchase cost of your personal property?

2. If the rate of inflation is 10%, how much is your property worth today?

3. Do you think you can afford to risk having no insurance covering the loss of all or part of your personal property?

Reading Comprehension Skills
- React to written material

Functional Reading Skills
- Follow written instructions

Language Skills
- State ideas clearly

Functional Writing Skills
- Complete forms and records

Cognitive Activities Skills

- Collect/record information
- Draw conclusions
- Identify/evaluate consequences

Explain your answer.

____

____

Used with permission of Glencoe Publishing Company, Inc. from *Succeeding in the World of Work: Student Workbook* by Grady Kimbrell and Ben S. Vineyard.

ASSIGNMENT SHEET 1

SECURING AUTOMOBILE AND PROPERTY INSURANCE

VI

NAME ______________________________ SCORE _____

OBJECTIVE 16

Analyze an automobile insurance application.

INTRODUCTION

In applying for insurance, the prospective policy holder must complete an auto insurance application. Being familiar with an application will prepare an individual to understand and answer each of the application's sections completely. By understanding the parts of the application, an individual can be sure that he or she has applied for the kind of coverage needed.

DIRECTIONS

Refer to the sample automobile insurance application to answer the following questions. Use the Information Sheets to help with answers.

Reading Comprehension Skills
- React to written material

Functional Reading Skills
- Interpret forms and records

Composition Skills
- Use complete sentences

Cognitive Activity Skills
- Analyze/synthesize information
- Draw conclusions

1. What are the nine major areas of information in the application (not including the Binder Provision)?

2. Why is it important for the insurance company to know what kind of vehicle(s) will be covered?

3. Why is it important for the insurance company to know how many miles each insured vehicle is driven each year?

4. Name the nine kinds of vehicle coverages and the three kinds of policy coverages listed.

   NOTE: Vehicle coverages are those that apply to the following: 1. the insured person and insured household members when one of them is involved in an auto accident and/or 2. those vehicles that are insured on the policy. Policy coverages provide extra insurance, beyond that provided under vehicle coverages, against death, disability and/or injury to the insured person and his or her household members when they are involved in an auto accident.

Vehicle coverages

Policy coverages

5. Why does "vehicle coverages" have a subsection called "misc. coverage" (miscellaneous coverage)?

6. Why does the policy ask for the lienholder on an insured vehicle?

   NOTE: A lienholder is a person or business that has loaned someone money to buy something, such as a vehicle. Until the debt is paid in full, the lienholder holds the title of the vehicle. If the borrower would default on the loan, the lienholder could then repossess the vehicle. On the auto insurance application, the applicant would be the borrower. A financial institution would probably be the lienholder.

7. Why does the insurance company want to know how many years the applicant has been employed?

8. Why does the insurance company want to know about the applicant's insurance record?

9. What personal information is requested about the applicant and other household members who drive? (Do not include the accident and violation histories here.)

10. Why would the insurance company want to know about the accident and violation histories of the applicant and other driving members of the applicant's household?

STUDENT'S INSURANCE COMPANY
Yourtown, Oklahoma

APPLICATION FOR AUTOMOBILE INSURANCE

CUSTOMER COPY

OPERATOR INFORMATION

DRIVER NO.	LIST ALL DRIVING MEMBERS OF HOUSEHOLD; COMPLETE NAMES AS ON DRIVER'S LICENSE (BEGIN WITH APPLICANT)	SEX M/F	RELATION TO NAMED INSURED	DATE OF BIRTH MO DAY YR	ORG. DATE LICENSED MO YR	MARRIED; SGLE SEP; DIV; OR WIDOWED	OCCUPATION
1							
2							

DRIVER NO.	DRIVER'S LICENSE NO.	STATE LICENSED	SOCIAL SECURITY NO.	EST% USE OF CAR
1				
2				

ACCIDENT HISTORY (INCLUDED ALL ACCIDENTS REGARDLESS OF FAULT FOR PAST 3 YEARS.)

OPERATOR'S NAME	DATE MO/DAY/YR	DESCRIPTION (LIST SPECIFIC DETAILS)	CHARGEABLE YES	NO
			☐	☐
			☐	☐

VIOLATION HISTORY (INCLUDE ALL VIOLATIONS FOR THE PAST 3 YEARS.)

OPERATOR'S NAME	CONVICTION DATE MO/DAY/YR	COMMON NAME OF VIOLATION	OPERATOR'S NAME	CONVICTION DATE MO/DAY/YR	COMMON NAME OF VIOLATION

BINDER PROVISION

In reliance on the statements in this application and subject to the terms and conditions of the policy authorized for the company's insurance to the applicant, the company named above binds the insurance applied for to become effective.

______ a.m. p.m. ___/___/___ Mo Day Yr

Application Signed ______ a.m. p.m. (Month) (Day) (Year)

AGENT'S SIGNATURE

OFFICE CODE

To the best of my knowledge, the statements made on these application pages, including attachments hereto, are true. I declare that the Company may recompute the premium shown if the statements make herein are not substantially true.

In have read this application before signing Yes

APPLICANT'S SIGNATURE

DATE

ASSIGNMENT SHEET 1

1. Answers should include the following in any order:
   - Information about the applicant
   - Vehicles
   - Use/rate
   - Vehicle coverages
   - Policy coverages
   - Lienholder
   - Household section
   - Insurance record
   - Operator information

2. Answers will vary but should show that the student knows that the type of car affects the applicant's risk rating. Answers should include some of the following points:
   - Newer vehicles generally cost more to insure than do older ones.
   - More expensive vehicles usually cost more to insure than do less expensive ones.
   - Vehicles that withstand crashes will cost less to insure than those that crumple in a minor accident.
   - Vehicles for which parts are easy to locate generally cost less to insure than those for which parts are difficult to find
   - Sports cars, luxury cars and other autos that are favorite targets for thieves are more expensive to insure

3. Students should indicate that the more miles someone drives, the greater the risk of having an accident, which leads to higher insurance rates.

4. Answers should include the following:

   Nine kinds of vehicle coverages

   - Bodily injury liability
   - P.D. liability (P.D. stands for property damage)
   - Auto med payments (med stands for medical)
   - Collision
   - Comprehensive
   - Towing
   - Rental reimbursement

- Sound system
- Tapes

Three kinds of policy coverages

- Auto death indemnity
- Auto disability income protection
- Uninsured motorists for bodily injury

5. Answers will vary, but students should explain that coverages other than those listed on the application may be added under the miscellaneous section. Based on what the applicant needs, additional coverages would be worked out between the applicant and the insurance agent.

6. Answers will vary, but students should explain the following:

   - A lienholder will generally want the borrower to have enough insurance to pay for the outstanding loan on a vehicle. That way, if the vehicle is damaged or destroyed in an accident, the lienholder could be assured that the applicant would have money to pay for the loan.
   - Insurance companies need to know names and addresses of lienholders so that these lenders may be notified if the applicant changes insurance coverages. For example, if the applicant drops collision or comprehensive coverage of a vehicle for which there is an outstanding loan, the lienholder will be notified by the insurance company. In this way, the rights of the lienholder are protected.

7. Answers should include some of the following points:

   - Employment history may indicate how much of a risk someone is to insure and how well that individual will be able to pay for insurance. For example, someone who changes jobs frequently may be more of a risk than someone who has worked at one job for several years.
   - Some occupations may qualify for driving discounts. For instance, farmers qualify for driving discounts.

8. Answers will vary, but students should explain that the applicant's insurance record is another factor showing how much of a risk the applicant is to insure. Depending on the circumstances, someone who has had his or her insurance

canceled in the past may be more of a risk to insure than someone who has had insurance for several years.

9. Answers should include the following in any order:

   - The complete name as it appears on the driver's license
   - Sex (male/female)
   - Relation to applicant
   - Date of birth
   - Original date person was licensed to drive (the date that person obtained his or her first driver's license)
   - Marital status
   - Occupation
   - Driver's license number
   - State in which the driver is licensed
   - Social security number
   - How much that driver uses the insured vehicle

10. Answers will vary, but students should explain that someone with a history of auto accidents and/or violation convictions will be more of a risk to insure. That person would be more likely to have other accidents or convictions, which could end up costing the insurance company money.

WRITTEN TEST

SECURING AUTOMOBILE AND PROPERTY INSURANCE VI

NAME ______________________ SCORE ______

OBJECTIVE 1

Match terms associated with automobile and property insurance to their correct definitions. Write the correct letters in the blanks. Terms and definitions are continued on the next page.

______1. Decrease in value

______2. Person responsible for deciding how much is to be paid in settlement

______3. Protection against losses resulting from lawsuits or claims against the insured

______4. Refers to land and property permanently attached to it

______5. Opinion as to the fair market value of property, based on an inspection of the site and experience of the appraiser

______6. Enforces all laws and regulations pertaining to insurance, set forth by the state

______7. Representative of an insurance company who sells various types of insurance policies to consumers

______8. Insurance contract between the insured and the insurance company

______9. Amount decided upon as proper for bringing an end to a claim

a. Appraisal

b. Appreciate

c. Appurtenant structure

d. Claim

e. Claim ad

f. Claims adjuster

g. Coinsurance clause

h. Commissioner of Insurance

i. Coverage

j. Deductible clause

k. Depreciate

l. Federal

m. Financial Responsibility Laws

n. Insurance agent

o. Insured

_____10. A clause that makes the policyholder responsible for a part of any loss covered by the insurance policy before the insurance company becomes liable for loss

_____11. Increase in value

_____12. Household contents and other personal belongings used, owned, worn or carried by residents; not attached to the land

_____13. Amount of money paid on periodic basis by the owner for insurance coverage

_____14. State laws designed to force drivers to meet their financial obligations before they are allowed to drive

_____15. Structures on property other than a home

_____16. Person(s) who owns insurance policy

_____17. Replaces items on a cost basis not a depreciation basis

_____18. Person protected by insurance

_____19. Request for payment of a loss

_____20. Protection against losses from damage to or destruction of real or personal property

_____21. Responsible according to law

p. Insurer/ underwriter

q. Indemnity

r. Liability insurance

s. Liable

t. Personal property

u. Policy

v. Policyholder

w. Premium

x. Property insurance

y. Real property

z. Replacement cost extension

aa. Restrictive

bb. Settlement

_____22. Party from whom the insured buys insurance and who agrees to pay loss

_____23. States what percentage of a loss the policyholder pays and what percentage the insurance company pays

_____24. Risks for which policy will pay; maximum dollar amount that the insurer will pay to settle a claim

OBJECTIVE 2

Select from the following list guidelines for choosing an insurance agent. Write an "X" in the blank before each correct answer.

______1. What church does the agent attend?

______2. Is the agent reliable and easy to reach?

______3. What sport does the agent like best?

______4. Is the agent licensed by the state?

______5. Is the agent certified in the area of that particular form of insurance?

______6. Is agent male or female?

______7. What is the agent's age?

______8. Is the agent honest and interested in your needs?

OBJECTIVE 3

Select from the following list guidelines for choosing an insurance company. Write an "X" in the blank before each correct answer.

______1. Quality of the office furnishings

______2. Licensed in the state in which it operates

______3. Financially sound

______4. Age of employees at the company

______5. Nationwide claim service

______6. Competitive cost of premiums

______7. Can update your insurance needs

OBJECTIVE 4 **Explain Financial Responsibility Laws.**

____

____

____

____

OBJECTIVE 5 **Match types of automobile insurance to their correct descriptions.** Write the correct letters in the blanks.

______1. Allows each insured driver in an accident to file a claim for medical expenses and sometimes for lost wages with his or her own insurance company; reduces legal time

______2. Protects the insured in an accident that was their fault; pays for medical and funeral expenses of the insured person, insured's family members and any passengers who are injured or killed in the insured's vehicle

______3. Pays for medical and funeral expenses of the insured which includes family members if an accident occurs while riding in your vehicle, someone else's vehicle, or if struck while walking; coverage is provided regardless of who is at fault

a. Bodily Injury Liability

b. Collision

c. Collision Insurance

d. Comprehensive Physical Damage

e. Conditions

f. Medical Payment Coverage

g. No-fault Insurance

h. Property Damage Liability

i. Underinsured motorists

j. Uninsured motorists

______4. Pays for replacement or repair of an insured vehicle involved in a collision with another car or object or one that has overturned

______5. Protects the insured if the vehicle is hit by an uninsured motorist or a hit and run driver

______6. Protects the vehicle in non-accident situations if it is damaged or stolen

______7. Pays for repair or replacement costs of another person's personal property because of damage insured driver causes to that property; pays for legal defense of insured

______8. Provides additional coverage when the liability coverage of the driver at fault is not enough to cover medical expenses for another person's bodily injury

OBJECTIVE 6 **List ten factors which affect automobile insurance rates.**

1. ____
2. ____
3. ____
4. ____
5. ____
6. ____
7. ____
8. ____

9. ____

10. ____

OBJECTIVE 7 **Arrange in order steps in filing an insurance claim.**

______a. Give agent circumstances of loss.

______b. Obtain information necessary to file claim.

______c. Contact insurance agent.

OBJECTIVE 8 **Explain the purpose of property and liability insurance.**

____

____

____

____

OBJECTIVE 9 **Match types of property insurance coverage to their correct descriptions.** Write the correct letters in the blanks.

______1. Protects items in your home or with you when you are away from home. Coverage is in force if items are stolen from your locked vehicle.

______2. Protects your home and belongings against damage caused by fire and lightening, including smoke and water damage.

______3. Covers accidents on your property or damage done to another person's property. Provides protection if injury or damage is caused by you, someone in your family or your pets at another location.

a. Fire Insurance

b. Liability Insurance

c. Theft Insurance

OBJECTIVE 10 **Explain the purposes of homeowner's insurance.**

____

____

____

____

____

____

OBJECTIVE 11 **Match types of liability insurance to their correct descriptions.** Write the correct letters in the blanks.

______1. Pays for minor damages to property accidently caused by any member of the insured family

______2. Protect the homeowner from accidental injury claims of others arising from actions of homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault

______3. Protects insured against claims arising from bodily injury to others or damage to property of others

a. Medical payments

b. Personal liability

c. Physical damage coverage

OBJECTIVE 12

Match types of homeowner's insurance coverage forms to their descriptions. Write the correct letters in the blanks.

______1. May be called the "contents form" because it insures household contents only

______2. An "all-risks" policy; covers all perils expect those excluded from the policy

______3. Policy for the homeowner who wants extensive protection; most popular form of homeowner's insurance and most expensive

______4. Policy covers the most common perils and is the least expensive

______5. Policy adds coverage for damage caused by burst pipes, electrical problems, falling objects and building collapse

a. Basic Form HO-1

b. Broad Form HO-2

c. Personal Injury Form

d. Student Rider Form

e. Tenants Form HO-4

f. Comprehensive Form HO-5

g. Special Form HO-3

OBJECTIVE 13

Explain what determines property insurance rates.

OBJECTIVE 14

Select from the following list purposes of having a household inventory. Write an "X" in the blank before each correct answer.

______1. Planning how much insurance to carry

______2. Filing income tax return

______3. Determining who should get the car

______4. Determining net worth

______5. Filing a claim

______6. Making a shopping list

______7. Planning future needs and spending

OBJECTIVE 15 **List six guidelines for making a household inventory.**

NOTICE The following assignment sheet is not part of the written test. If this activity has not been completed, check with the instructor.

OBJECTIVE 16 **Analyze an automobile insurance application.** SCORE ______

WRITTEN TEST ANSWERS

SECURING AUTOMOBILE AND PROPERTY INSURANCE VI

OBJECTIVE 1

1. k
2. f
3. r
4. y
5. a
6. h
7. n
8. u
9. bb
10. j
11. b
12. t
13. w
14. m
15. c
16. v
17. z
18. o
19. d
20. x
21. s
22. p
23. g
24. i

OBJECTIVE 2

2, 4, 5, 8

OBJECTIVE 3

2, 3, 5, 6, 7

OBJECTIVE 4

Answers will vary but should include the following concept:

State requires vehicle owner or driver to have a minimum amount of liability coverage to protect others from loss in the case of an accident.

OBJECTIVE 5

1. g
2. a
3. f
4. c
5. j
6. d
7. h
8. i

OBJECTIVE 6

Answers should include ten of the following:

- Age of insured
- Age of vehicle
- Amount of coverage and deductible
- Cost of repairs to vehicle
- Frequency of accidents in local area
- Frequency of vehicle use
- How vehicle is used
- Insured's driving record
- Insured's student record
- Marital status of insured
- Other drivers using insured's vehicle
- Safety devices in insured's vehicle
- Sex of insured
- Type of insured's vehicle
- Type of policy selected
- Where insured parks vehicle

OBJECTIVE 7

a. 3
b. 1
c. 2

OBJECTIVE 8

Property insurance protects you against loss or damage to your real and personal property which reduces the hardship of unexpected loss. Also, it meets an individual's obligation to others who might suffer injury or loss.

OBJECTIVE 9

1. c
2. a
3. b

OBJECTIVE 10

Answer should include the following:

- Homeowner's insurance costs less than having separate policies.
- Homeowner's insurance protects your house or dwelling, appurtenant structure and personal property.
- Homeowner's insurance provides additional living expenses if dwelling is uninhabitable
- Homeowner's insurance provides liability insurance.

OBJECTIVE 11

1. c
2. a
3. b

OBJECTIVE 12

1. e
2. f
3. g
4. a
5. b

OBJECTIVE 13

Answer should include the following:

- Cost of dwelling/amount of coverage
- Fire fighting ability
- Location of dwelling
- Construction of dwelling
- Payment terms
- Replacement value of the home
- Deductible clauses
- Number of claims made to the insurance company

OBJECTIVE 14

1, 4, 5, 7

OBJECTIVE 15

Answers should include six of the following:

- List each item.
- Indicate quantity.
- Indicate room where item is located.
- Indicate date item was purchased.
- Indicate original purchase price.
- Indicate current value.
- Keep inventory up to date.

OBJECTIVE 16

Refer to answers to Assignment Sheet 1.

OBJECTIVE SHEET

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE

VII

INTRODUCTION

In our fast paced society individuals seldom concern themselves with thoughts of death, accidents or disabling injuries. However, catastrophes such as these can result in financial ruin for the unprepared individual or family. Life, health and social insurance provide protection and security. Even the knowledge that insurance would help cover an emergency helps individuals feel better prepared and more secure about the future.

UNIT OBJECTIVE

After completing this unit, the student should be able to explain why insurance is used in today's society and to distinguish between different types of life insurance and health insurance. The student will demonstrate these competencies by completing an assignment sheet and written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with life, health and social insurance to their correct definitions.
2. List factors used to determine amount of life insurance needed.
3. Match types of life insurance to their correct descriptions.
4. Match types of life insurance special clauses to their correct descriptions.
5. Choose from a list factors that affect life insurance costs.
6. List general rules to follow when buying life insurance.
7. Match types of basic health insurance to their correct descriptions.
8. Match types of health insurance programs to their correct descriptions.
9. Discuss social security insurance.

10. Match types of social security benefits to their correct descriptions.

11. State who is eligible to receive social security insurance.

12. List two types of survivors' insurance payments covered by social security for eligible survivors.

13. State the purpose of social security disability insurance.

14. Calculate health-care costs. (Assignment Sheet 1)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite a guest speaker to discuss life/health insurance.

  NOTE: Provide the guest speaker with unit objectives and information sheets before he/she meets with the class.

- Arrange for the use of audiovisual materials and equipment that will be needed for the unit.

DELIVERY

Objective 1

- Design a bulletin board to present the concept of insurance. Use cutouts of open umbrellas to represent types of insurance with raindrops to represent risks.

- Discuss terms and definitions. If possible use examples to illustrate terms.

- Have students write to the State Insurance Commissioner's Office at the following address for information on life and health insurance.

  Insurance Commissioner
  State Insurance Building
  1901 N. Walnut Blvd.
  P.O. Box 53408
  Oklahoma City, OK 73152-3408

Objective 2

- Supplement the information sheet with the fact sheets, *Life Insurance: How Much Do We Have?* and *Life Insurance: How Much Do We Need?*

Objectives 3 and 4

- Supplement the objectives with the following activity to help students recognize the types of life insurance and how each suits different situations.

- Refer students to *A Consumer's Guide to Life Insurance*.

Preparation for activity:

1. Write each type of life insurance on three 3" × 5" index cards. There should be fifteen cards total.

2. Shuffle the cards and put them face down on a table.

3. Give students a few minutes to imagine what their lives might be like in ten years. Have students complete Handout 1, "Determine Life Insurance Needs," as if it were ten years later.

4. After students have completed Handout 1 explain that the handouts will be used as part of a class discussion.

5. Collect handouts and place them in a box.

6. Ask a student to select a handout from the box and one of the 3" × 5" insurance cards from the table. The student should then give the class a brief summary of the handout and tell whether the insurance coverage listed on the card would be adequate.

Objectives 5 and 6

- Discuss with class rules to follow when buying life insurance.

- Have students create and role play situations that demonstrate the importance of having insurance.

1. Have each student draw a handout from the box on "Determine Life Insurance Needs." Each student will act as a life insurance agent, recommending the kind of insurance that would best suit the situation described on the handout.

2. Have the student write recommendations for insurance coverage and reasons for the recommendations on separate sheets of paper.

3. Collect the handouts and attached recommendations. Have students meet with their "agents" to discuss recommendations. Time limits will have to be set.

Objectives 7 and 8

- Supplement the information with the fact sheets, *Health Insurance: When You Are Over 65*, and *Health Insurance: Which Policy to Choose*.

- Ask the class if the individual, the employer or the federal government should provide individuals with health insurance. Discuss the implications of each choice.

- Discuss the average cost of a visit to a doctor, the average cost per day in a hospital and the average length of each hospital stay.

- Have students complete Assignment Sheet 1, "Calculate Health Care Costs."

- Have students read "Are Companies Cutting Too Close to the Bone?", "Ouch! The Squeeze on Your Health Benefits" and "What You Need to Know About 'Enhanced Benefits'."

- Use *The Medicare Handbook* for supplementary information.

Objectives 9-13

- Refer students to *Understanding Social Security*, a publication of the Department of Health and Human Services.

- Discuss the various situations which are covered by social security. Use the booklets, *Survivors*, *Retirement* and *Disability* to help students understand the overall scope of social security benefits.

APPLICATION

- If not assigned earlier, have students complete Assignment Sheet 1.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify material in the unit or create supplementary material for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.
- Give the written test.

  NOTE: The written test may be given in sections if desired.
- Evaluate students on assignment sheet activities, if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Publications

- *A Consumer's Guide to Life Insurance.* Washington, D.C.: American Council of Life Insurance, Community and Consumer Relations, n.d.

  NOTE: One free copy of this brochure is available by writing to Order Fulfillment, American Council of Life Insurance, 1001 Pennsylvania Avenue, N.W., Washington, D.C. 20004-2599, or by calling 800-423-8000.

- *Disability* (Publication No. 05-10029). Baltimore, Maryland: U.S. Department of Health and Human Services, January, 1991.
- Fox, Karen D. *Life Insurance: How Much Do We Have?* Home Economics Fact Sheet No. T-4128. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1988.
- Fox, Karen D. *Life Insurance: How Much Do We Need?* Home Economics Fact Sheet No. T-4129. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1988.
- Fox, Karen D. *Life Insurance: New Types of Policies.* Home Economics Fact Sheet No. T-4130. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1988.
- Galen, Michele. "Are Companies Cutting Too Close to the Bone?" *Business Week*, October 30, 1989, pp. 141, 144.

  NOTE: This article presents how employers may be legally liable for health care deficiencies in Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO).
- Garland, Susan B. et al. "Ouch! The Squeeze on Your Health Benefits." *Business Week*, November 20, 1989, pp. 110-113, 118.

  NOTE: This article discusses how skyrocketing health care costs are forcing employers to look for alternative and sometimes controversial means of providing health benefits for employees. This trend is creating tensions between employees who often believe employer-sponsored health care is right, and employers, who are trying to cut health care costs and shift some of the cost burden to employees.
- *Retirement* (Publication No. 05-10035). Baltimore, Maryland: U.S. Department of Health and Human Services, January, 1991.
- *Survivors* (Publication No. 05-10084). Baltimore, Maryland: U.S. Department of Health and Human Services, January, 1991.

- Solis, Virginia L. *Health Insurance: When You Are Over 65.* Home Economics Fact Sheet No. T-4137. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1989.

- Solis, Virginia L. *Health Insurance: Which Policy to Choose.* Home Economics Fact Sheet No. T-4138. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, n.d.

  NOTE: Home Economics Fact Sheets and publications cost information may be obtained from the Oklahoma State University Cooperative Extension Center in each county, or may be ordered directly from Central Mailing Services, Oklahoma State University, Stillwater, Oklahoma 74078-0550, phone 405-744-5385.

- *The Medicare Handbook* (Publication No. HCFA 10050). Baltimore, Maryland: U.S. Department of Health and Human Services, 1990.

  NOTE: This publication and others dealing with Medicare can be obtained by writing to U.S. Department of Health and Human Services, Health Care Financing Administration, 6325 Security Boulevard, Baltimore, Maryland 21207.

- *Understanding Social Security* (Publication No. 05-10024). Baltimore, Maryland: U.S. Department of Health and Human Services, January, 1991.

  NOTE: Publications concerning social security can be obtained by writing to Department of Health and Human Services, Social Security Administration, Baltimore, Maryland 21235.

- Zinn, Laura. "What You Need to Know About 'Enhanced Benefits.'" *Business Week*, November 20, 1989, pp. 118, 122.

UNIT REFERENCES

- *Adult and Family Living.* Stillwater, Oklahoma: Oklahoma Department of Vocational and Technical Education, Curriculum and Instructional Materials Center, 1990.

- *Basic Questions About Life Insurance. The Consumer's Guide to Insurance, No. 7.* Northbrook, Illinois: Allstate Life Insurance Company, 1986.

- Boardman, Charles C. et al. *Consumer Education*, rev. ed. Mission Hills, California: Glencoe/McGraw-Hill Educational Division, 1979.

- *Life Insurance Buyer's Guide*. Northbrook, Illinois: Allstate Life Insurance Company, 1990.

- *Managing Personal Matters*. Stillwater, Oklahoma: Oklahoma Department of Vocational and Technical Education, Curriculum and Instructional Materials Center, 1988.

- *Personal and Family Financial Planning: Strategies for Teaching*. Washington, D.C.: Educational Relations and Resources, American Council of Life Insurance, Health Insurance Association of America, 1984.

- Pitts, Joyce M. *Managing Your Personal Finances*. Home and Garden Bulletin N. HG-245. Washington, D.C.: U.S. Department of Agriculture, Extension Service Agricultural Research Service, 1986.

- *Questions Consumers Ask About Insurance Companies. The Consumer's Guide to Insurance, No. 9*. Northbrook, Illinois: Allstate Insurance Company, 1985.

- *The Big Jump*. Madison, Wisconsin: CUNA Mutual Insurance Group and Credit Union National Association Inc., 1986.

  NOTE: *The Big Jump* is an educational packet designed to help teens understand insurance and uses of insurance as they "jump" into adulthood. It includes a 32-page teaching packet and 27 learning exercises. *The Big Jump* may be purchased by writing to the National Credit Union Youth Program, P.O. Box 391, Madison, Wisconsin 53701, or by calling 800-234-7889 or 608-231-7992. Teachers should request form number 167/YP-99.

- Wyllie, Eugene D. et al. *Consumer Economics*, 11th ed. Cincinnati, Ohio: South-Western Publishing Company, 1988.

PRETEST ANSWERS

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE VII

OBJECTIVE 1

1. q
2. r
3. n
4. g
5. i
6. b
7. w
8. p
9. k
10. d
11. t
12. e
13. m
14. v
15. o
16. l
17. f
18. x
19. y
20. a

OBJECTIVE 2

Answer should include five of the following:

- Amount of debts
- Amount of other financial resources available
- Burial expenses
- Current and projected income
- Debt payments
- Future education needs for family members
- Inflation and general economic conditions
- Number and age of dependents

OBJECTIVE 3

1. f
2. a
3. e
4. d
5. g

OBJECTIVE 4

1. d
2. g
3. a
4. e
5. h
6. f
7. b
8. c

OBJECTIVE 5

2, 4, 5, 7, 8

OBJECTIVE 6

Answer should include the following:

- Assessment of needs for life insurance at each stage of the life cycle
- Estimate of other assets
- Future goals
- Number of dependents of family size
- Occupational hazards

OBJECTIVE 7

1. c
2. a
3. b

OBJECTIVE 8

1. q
2. c
3. a
4. f
5. k
6. l
7. o
8. h
9. d
10. m
11. i
12. p

OBJECTIVE 9

Answer should include the following:

Employees, employers and self-employed people pay social security contributions. Employers and employees must regularly contribute a certain percentage of the employees' wages. Provides supplemental retirement income.

OBJECTIVE 10

1. d
2. c
3. a
4. b

OBJECTIVE 11

Answer should include the following:

A fully-insured, retired worker and the worker's spouse are entitled to receive full monthly social security payment at retirement age of 65. Reduced benefits may begin at age 62.

OBJECTIVE 12

- Single lump sum death benefits
- Monthly benefit payments

OBJECTIVE 13

Answer should include the following:

Disability insurance under social security gives workers protection against loss of earning due to disability.

OBJECTIVE 14

Refer to answer to Assignment Sheet 1.

DETERMINE LIFE INSURANCE NEEDS

INTRODUCTION

When someone chooses the kind and amount of life insurance he or she needs, that person should take into consideration several factors. These factors include the cost of burial expenses, loss of income if the primary wage earner or wage earners die and the cost of covering outstanding debts. The insured should consider what kinds of income besides life insurance would help pay for the insured's funeral, debt and/or the survivors' living expenses. Some of these sources of income include social security benefits, employment benefits and investment returns.

DIRECTIONS

Determine life insurance needs by completing the following questionnaire. Using your imagination, create a set of circumstances that describes how your life might be ten years from now. Based on these future circumstances, choose the type of insurance that would best cover your needs.

NAME ____________________

ADDRESS ____________________

MARITAL STATUS

single　　married　　widowed

separated　　divorced

OCCUPATION

Type of occupation____________________

Is occupation considered hazardous?____________________

Income from occupation____________________

Spouse's occupation____________________

Income from spouse's occupation____________________

REVOCABLE AND IRREVOCABLE TRUSTS

Trusts and life insurance both provide financial security for one's beneficiaries. A trust is a legal document which controls how a person's money and/or property will be managed. The trust may be in existence either after the person dies or while the person is still alive.

The money and/or property listed in a trust may be given to people and/or institutions. Trusts may be revocable or irrevocable. Revocable trusts may be changed or terminated by the person who set up the trust. Irrevocable trusts may not be changed once they are established. Terms associated with trusts are trustee, testator, and issue. A trustee is the person or financial institution designated to manage the trust. The testator is the creator of a will. An issue is a child of the testator. Trusts are often administered according to the trust document.

PRETEST

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE

VII

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with life, health and social insurance to their correct definitions. Write the correct letters in the blanks.

______ 1. Items or circumstances for which the insured is promised payment

______ 2. Amount of money that will be paid from a life insurance policy if the insured dies or reaches a certain age

______ 3. A form of risk management that provides protection against personal and financial loss

______ 4. Court appoints individual to manage estate, to prepare tax returns, pay taxes, investigate claims against estate, pay outstanding debts and determine value of property

______ 5. Highest level of an insurance agent

______ 6. Percentage of health insurance premiums that the company pays to policyholder as benefits

______ 7. Making payments yearly

______ 8. A certain amount of money a policyholder must pay before insurance will pay to cover loss

______ 9. Health or life insurance policy offered to a group of people

a. Individual policy
b. Loss-ratio
c. Assets
d. Lapse
e. Executor
f. Exclusion
g. Administrator
h. Premium
i. Chartered Life Underwriter
j. Deceased
k. Group policy
l. Cash value
m. Beneficiary
n. Insurance
o. Life insurance
p. Deductible
q. Coverage
r. Face value

______10. Failure to make premium payment and insurance coverage ends

______11. Payment for losses

______12. Individual named in will to manage estate

______13. Person or group to whom policyholder benefits will be paid upon insured's death

______14. Amount of extra time policyholder is given to pay premium after it is due

______15. Voluntary financial agreement between an individual and an insurance company

______16. Money that builds up in the savings portion of some kinds of life insurance policies

______17. Type of losses or circumstances not covered in an insurance policy

______18. Any injury, illness or condition diagnosed or treated during a certain amount of time before an individual is covered by a health insurance policy

______19. Formal requests for payment of amount due as a result of loss

______20. Health or life insurance policy for one person or one household

s. Insurance agent

t. Benefits

u. Liable

v. Grace period

w. Annual premiums

x. Pre-existing condition

y. Claims

OBJECTIVE 2

List five factors used to determine amount of life insurance needed.

____

____

____

____

____

OBJECTIVE 3

Match types of life insurance to their correct descriptions. Write the correct letters in the blanks.

______1. Provides a combination of insurance and savings

______2. Provides opportunity to put premium payments into different investments

______3. Provides coverage for a specified amount of time and pays a death benefit only if the insured dies within that time period

______4. Provides flexibility in that within certain limits it allows the insured to design premium payment schedule and protection levels

______5. Provides protection as long as the insured lives; amount of the premium is set at the time the policy is bought; has a savings factor; face value is not available until death or old age

a. Variable life insurance

b. Liability life insurance

c. Temporary insurance

d. Universal life insurance

e. Term insurance

f. Endowment insurance

g. Whole life insurance

OBJECTIVE 4

Match types of life insurance special clauses to their correct descriptions. Write the correct letters in the blanks.

______1. Allows insured to continue an insurance policy for as long as premiums are paid

______2. Policy excludes certain situations from coverage

______3. States that if the insured dies as the result of an accident the policy will pay an extra amount

______4. Premium payments can be skipped for a certain period of time

______5. Allows policyholder to buy more insurance until a specified age even though the insured becomes uninsurable as a result of poor health

______6. The right to change life insurance beneficiary

______7. Insured has a temporary policy for a certain period of time until insurance company has verified information on the application to be accurate and true

______8. Insurance company pays premium in case the policyholder forgets to pay premium

a. Accidental death benefit

b. Incontestable clause

c. Automatic premium loan

d. Noncancelable clause

e. Waiver-of-premium

f. Assignment clause

g. Exclusions

h. Guaranteed insurability option

OBJECTIVE 5

Choose from a list factors that affect life insurance costs. Write an "X" in the blank before each correct answer.

______1. Type of dwelling

______2. Face amount of policy

______3. Location of company

______4. Age of insured

______5. Claims paid

______6. Number on staff

______7. Operation expenses

______8. Insured's health

OBJECTIVE 6 **List general rules to follow when buying life insurance.**

OBJECTIVE 7 **Match types of basic health insurance to their correct descriptions.** Write the correct letters in the blanks.

______1. Package that covers services not provided by a basic health insurance plan

______2. Pays a portion of the salary when an individual is unable to work because of illness or injury

______3. Package coverage that includes payment for a hospital room, doctor's visits to your room, surgeon's fees and operating room costs

a. Disability income insurance

b. Basic hospital/surgical/physician coverage

c. Major Medical

d. None of the above

OBJECTIVE 8

Match types of health insurance programs to their correct descriptions. Write the correct letters in the blanks.

______1. Local health departments, volunteer agencies or local health fairs offering free or low-cost medical services

______2. Insurance provided by the employer for employees who suffer injuries or illness as a result of their working conditions; required by the state

______3. An organized system of health care providing a comprehensive package of health services through a group of physicians to a voluntarily enrolled membership within a particular geographic area on a fixed prepayment basis

______4. Uses state and federal funds to help pay medical expenses for low-income people of all ages

______5. Pays medical expenses for a single major disease or a group of major diseases

______6. Medical benefits provided to U.S. veterans, eligible dependents of U.S. veterans or a survivor of a U.S. veteran; offers hospital and outpatient care for all service-related medical conditions

______7. Provides federally funded medical and hospital benefits to most people 65 and older and to certain disabled individuals of any age; money is provided through the social security system

a. Health Maintenance Organization (HMOs)

b. Co-insurance

c. Workers' Compensation

d. Hospital indemnity policies

e. Disability income

f. Medicaid

g. Blue Cross/Blue Shield

h. Dental

i. Preferred Provider Organization (PPOs)

j. Major Medical

k. Dread disease

l. Veteran's Administration (VA)

m. Vision

n. Stop-loss

o. Medicare

p. Long-term care

q. Community service

______8. Provides reimbursement for expenses of dental services and encourages preventive care

______9. Pay benefits only when the insured is hospitalized

_____10. Provides coverage for eye examinations and the purchase of prescriptions lenses, frames and contact lenses

_____11. A group of medical-care providers contract with either an employer or a health insurance company to offer services at a discount to that employer's workers or to the insurance company's policyholders

_____12. Helps pay for long-term health care that may be needed because of illness or disability

OBJECTIVE 9

Discuss social security insurance.

____

____

____

OBJECTIVE 10

Match types of social security benefits to their correct descriptions.

______1. The basic health care insurance program	a. Retirement insurance
______2. Benefits for family	b. Disability insurance

______3.	Monthly benefits received at age 62 or above	c.	Survivors' insurance
______4.	Received for physical or mental impairment	d.	Medicare

OBJECTIVE 11 **State who is eligible to receive social security insurance.**

____

____

OBJECTIVE 12 **List two types of survivors' insurance payments covered by social security for eligible survivors.**

____

____

OBJECTIVE 13 **State the purpose of social security disability insurance.**

____

____

NOTICE In addition to the pretest items, the student will be required to demonstrate the mastery of the following objective.

OBJECTIVE 14 **Calculate health-care costs.** SCORE ______

INFORMATION SHEET

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE *VII*

OBJECTIVE 1

Match terms associated with life, health and social insurance to their correct definitions.

- **Administrator/administratrix** — Court appoints individual to manage estate, to prepare tax returns, pay taxes, investigate claims against estate, pay outstanding debts and determine value of property
- **Annual premiums** — Making payments yearly
- **Benefits** — Payment for losses
- **Beneficiary** — Person or group to whom policyholder benefits will be paid upon insured's death
- **Cash value** — Money that builds up in the savings portion of some kinds of life insurance policies
- **Chartered Life Underwriter (CLU)** — Highest level of an insurance agent
- **Claim/s** — Formal request for payment of amount due as a result of loss
- **Coverage** — Items or circumstances for which the insured is promised payment
- **Deductible** — A certain amount of money a policyholder must pay before insurance will pay to cover loss.
- **Exclusion** — Type of losses or circumstances not covered in an insurance policy
- **Executor/executrix** — Individual named in will to manage estate
- **Face value** — Amount of money that will be paid from a life insurance policy if the insured dies or reaches a certain age
- **Grace period** — Amount of extra time policyholder is given to pay premium after it is due

- **Group policy** — Health or life insurance policy offered to a group of people
- **Individual policy** — Health or life insurance policy for one person or one household
- **Insurance** — A form of risk management that provides protection against personal and financial loss
- **Lapse** — Failure to make premium payment and insurance coverage ends
- **Life insurance** — Voluntary financial agreement between an individual and an insurance company; protects an individual's dependents or assigned beneficiary(ies) against loss of income that results when the individual dies
- **Loss-ratio** — Percentage of health insurance premiums that the company pays to policyholder as benefits
- **Pre-existing condition** — Any injury, illness or condition diagnosed or treated during a certain amount of time before an individual is covered by a health insurance policy

OBJECTIVE 2

List factors used to determine amount of life insurance needed.

Factors are:

- Amount of debts
- Amount of other financial resources available
- Burial expenses
- Current and projected income
- Debt payments
- Future education needs for family members
- Inflation and general economic conditions
- Number and age of dependents — income for family while children are growing and/or surviving parent after children have left home

OBJECTIVE 3

Match types of life insurance to their correct descriptions.

Life insurance protects an individual's dependents or assigned beneficiary(ies) against expenses and loss of income that results when that individual dies. Life insurance is used to provide money to pay for burial expenses and debts, provide income and serve as a form of savings. An insurance policy is a legal contract and the insured needs to understand the contents of the policy. Different types of life insurance are available to meet each consumer's present and future needs. Some policies provide permanent coverage while others provide temporary. The basic choice is between term insurance, which provides protection only, and cash value policy, which combines protection plus savings.

- **Credit life** — Insurance on the life of a debtor under an installment purchase contract relieving the debtor's estate of further payment in event of death

- **Endowment insurance** — Provides a combination of insurance and savings

  NOTE: The policy may be cashed in for face value at the end of the period for which it was written. The insured usually has a savings goal in mind. An endowment policy is a way to save a definite amount for future needs and to have protection while saving. Short term endowments may be used for education, to start a family member in business, pay for a home or pay off debts. Examine interest earned on an endowment policy versus a savings account or certificate for a higher sum at maturity. The advantage of endowment insurance is that it provides protection and a way to save money and matures faster than whole life; and the insured can receive benefits while he or she is still alive. Disadvantages of endowment insurance are that premiums are higher than for most other types of life insurance and interest rates offered are usually lower.

- **Term insurance** — Provides coverage for a specified amount of time and pays a death benefit only if the insured dies within that time period

  NOTE: Term policies should be examined for renewability. Is renewability guaranteed or is it the option of the company? If renewability is not guaranteed and you became seriously ill or hospitalized you might not be able to buy a life insurance policy from the same company after the term has expired.

A physical examination is required each time a policy is purchased. Usually term insurance premiums are much lower than whole life premiums. Term insurance allows a young person to buy a great deal of insurance protection for a minimal amount of money. The amount of coverage can be increased or decreased or term insurance can be exchanged for other types of insurance. Term insurance provides no way of saving money and provides no benefits after the policy expires.

- **Universal life insurance** — Provides flexibility in that within certain limits it allows the insured to design premium payment schedule and protection levels

  NOTE: Universal life insurance is a combination of term insurance and a high interest investment account. It offers high yield, short-term tax deferred savings. The interest rate is disclosed and generally has a better than cash-value policy rate. The policyholder can raise the face value of the policy without having to write a new policy. Universal life policies begin to build cash value with the first premium while other cash-value policies usually do not start to build any cash value until the second or third year. The interest rate paid on the cash fund is usually higher than whole life and is often competitive with other investments. The policyholder can vary premium payments as long as a certain minimum is paid. The policyholder can withdraw accumulated cash value and borrow against the policy without discontinuing it. The borrowed money is tax free because it is considered to be principal rather than interest. Advantages of universal life include: raising value of policy without rewriting the policy, the ability to save money and earn interest, the ability to withdraw cash and the option of paying minimum premium. The disadvantage of universal life is that the insured may choose to skip premium payments or borrow heavily from cash fund thus lowering face value of policy. Insured may not withdraw all the principal until five or ten years after the initial investment.

- **Variable life insurance** — Provides opportunity to put premium payments into different investments

  NOTE: Policy's death benefit and cash value vary with investments. Variable life insurance policies do have to provide a guaranteed minimum death benefit. Advantages of this type of policy are the combination of coverage and savings. A disadvantage is the responsibility it places on the insured to understand how investing works.

- **Whole life insurance** — Provides protection as long as the insured lives; amount of the premium is set at the time the policy is bought; has a savings factor; face value is not available until death or old age

  NOTE: There are two kinds of whole life insurance: straight life and limited payment. Straight life requires the insured to pay the same premiums for the entire life of the insured. If you are still alive at age 100, the policy ends and you receive the cash value of the policy. As the insured gets older, straight life provides an option to take a reduced paid-up policy whereby the insured may have a decreased amount of savings within the policy. Limited payment provides protection for life, but the premium payment stops at a certain age. The shorter the payment period, the higher the payments. Both types of whole life policies invest a part of each premium into a reserve of money. The premium will be lower the younger the person is when purchasing the policy. These policies provide coverage in the event of death and build up a cash value. The cash value may be borrowed against or withdrawn if the insured terminates the policy after a certain period. When the insured borrows from the reserve, benefits are reduced by the balance of the unpaid loan from the policy until the loan is repaid or the insured dies. Advantages of whole life policies are life-long protection and savings. Disadvantages of whole life are that premium rates are higher at first than some other forms of life insurance and have low interest rates compared to other kinds of savings.

OBJECTIVE 4

Match types of life insurance special clauses to their correct descriptions.

- **Accidental death benefit (indemnity)** - States that if the insured dies as the result of an accident the policy will pay an extra amount

- **Assignment clause** — The right to change life insurance beneficiary

  NOTE: Policy may be assigned to another party to serve as security for a debt or loan.

- **Automatic premium loan** — Insurance company pays premium in case the policyholder forgets to pay it on time; insured is charged interest on the loan at a specified rate

- **Exclusions** — Excludes certain situations from coverage

  EXAMPLES: Travel in foreign countries engaged in war, travel on planes, and death by suicide

- **Guaranteed insurability option** — Allows policyholder to buy more insurance until a specified age even though the insured becomes uninsurable as a result of poor health
- **Incontestable clause** — Insured has a temporary policy for a certain period of time until insurance company has verified information on the application to be accurate and true
- **Noncancelable clause** — Allows insured to continue an insurance policy for as long as premiums are paid; clause is very beneficial in case a later illness or disability makes the policyholder uninsurable
- **Waiver-of premium** — Premium payments can be skipped for a certain period of time; very helpful if insured is disabled, ill or injured and cannot work

OBJECTIVE 5 **Choose from a list factors that affect life insurance costs.**

- Age of insured
- Claims paid
- Company selected
- Face amount of policy
- Insured's health
- Insured's occupation
- Insured's sex
- Investments
- Operation expenses
- Reserve fund
- Type of insurance

OBJECTIVE 6

List general rules to follow when buying life insurance.

- Assessment of the need for life insurance at each stage of your life cycle
- Estimate of other assets
- Future goals
- Number of dependents or family size
- Occupational hazards

OBJECTIVE 7

Match types of basic health insurance to their correct descriptions.

Health and disability insurance protect the consumer from doctor and hospital bills due to serious illness or an accident resulting in the loss of an individual's health and earning power. Most health insurance policies pay a large percentage of the policyholder's cost for hospital, surgical or other medical care. Basic health insurance and major medical insurance are two of the most common types of broad package policies. Another category of insurance that provides financial protection against possible illness or accidents is disability insurance.

When students reach a certain age or decide to move out on their own they may no longer be covered by their family's health insurance policy. One week in the hospital could prove to be financially devastating.

Comparison shopping is important when buying health insurance. Consider coverage, premium cost, and reliability of company. Also check company's loss ratio. Avoid companies that do not have a loss ratio of at least 50 percent. There are exceptions to the rule of 50 percent. Also, make sure the company is licensed by your state.

NOTE: *Best Insurance Reports* is one resource for comparison shopping.

- **Basic hospital/surgical/physician** — Coverage that includes payment for a hospital room, doctor's visits to your room, surgeon's fees and operating room costs. Basic health insurance may also partially pay for x-rays, drugs, lab tests and medications.

NOTE: There are limits to how much and the length of stay a basic health insurance plan will cover. Other restrictions may apply. Pre-existing conditions, such as cancer, are not covered or are covered only if the policyholder has been free of the disease for a certain amount of time. Health insurance policies include all kinds of provisions but most include: maximum coverage, renewability, deductibles, co-insurance premiums; and exclusions.

- **Major Medical** — A package that covers services not provided by a basic health insurance plan

NOTE: Major medical insurance usually picks up about where basic coverage ends. The policy covers serious and costly accidents, and prolonged illness. Major medical has four parts of coverage: the annual deductible, co-insurance, stop-loss limit and upper limit. Most experts believe that for the major lifetime medical maximum to be adequate it should be more than $250,000. The annual deductible and part of the co-insurance are what a policy holder pays. An annual deductible is the amount the policyholder must pay each year before the company will pay benefits. It can be a percentage or a fixed dollar amount.

The co-insurance provision may call for the policyholder to pay a percentage of any amount above the deductible. For example, with a major medical plan that has 20/80 co-insurance provision the policyholder pays 20 percent and the insurance company pays 80 percent of the medical bills after the deductible. It is important to obtain a stop-loss provision. With a stop-loss provision, the policyholder pays up to a certain amount and no more. For example the policyholder pays $1,500 out of pocket and then the company will pay 100% of the remaining medical costs.

The policyholder needs to know the top dollar amount the insurance company will pay for the policyholder's medical expenses. For example, a limit may be $1,000, $5,000 or $10,000 and these figures may be an annual or lifetime limit.

- **Disability income insurance** — Pays a portion of the salary when an individual is unable to work because of illness or injury

  NOTE: Disability income insurance has a waiting period that varies from one week to six months thus encouraging people to return to work. Also, the maximum payout is two-thirds of a person's gross salary.

OBJECTIVE 8 **Match types of health insurance programs to their correct descriptions.**

Health insurance programs are offered through private companies, local communities, state governments and the federal government. An individual needs to be knowledgeable of what major programs are available and what options each program offers.

- **Community programs** — Local health departments, volunteer agencies or local health fairs offering free or low-cost medical services

- **Dental** — Provides reimbursement for expenses of dental services and encourages preventive care

  NOTE: The coverage normally provides for oral examination, fillings, cleaning, X-rays, bridgework, extraction, root-canal work, dentures, inlays and oral surgery. Coverage and costs vary a great deal among policies. Orthodontic work may or may not be included.

- **Dread disease** — Pays medical expenses for a single major disease or a group of major diseases.

  EXAMPLE: Cancer, AIDS

- **Health Maintenance Organizations (HMOs)** — An organized system of health care providing a comprehensive package of health services through a group of physicians to a voluntarily enrolled membership within a particular geographic area on a fixed prepayment basis

  NOTE: HMOs either employ or contract with participating health-care providers to give members health-care services. There are two basic types of HMOs: group and individual practice. Group HMOs use a central medical center. Members of individual practice HMOs go to their individual doctors. HMOs emphasize that preventive medical care reduces the risk of future medical problems. The number of HMOs has increased greatly since the 1970s.

- **Hospital indemnity policies** — Pay benefits only when the insured is hospitalized

  NOTE: These policies are not substitutes for basic or major medical health insurance. They are purchased to supplement major medical coverage. Policyholders should check for duplication so not to pay more in premiums than the actual coverage may be worth.

- **Long-term care** — Helps pay for long-term health care that may be needed because of illness or disabilities

- **Medicaid** — Uses state and federal funds to help pay medical expenses for low-income people of all ages

  NOTE: Medicaid is provided in each state through city and county welfare, public assistance or public health offices. Qualification and distribution of services are carried out by the state. Therefore, state plans vary as to who is covered and what benefits they receive.

- **Medicare** — Provides federally funded medical and hospital benefits to most people 65 and older and to certain disabled individuals of any age; money is provided through the social security system

  NOTE: Medicare is paid for those people who have paid into social security for ten years or 40 calendar months. Medicare does not cover all health-care costs. In fact, it only covers about 40% of the medical expenses. Those participating in Medicare must pay a deductible and make co-insurance payments before coverage will begin. In addition there are time limits on hospital stays. Medicare has two parts: hospital insurance (coverage is automatic) and medical insurance (coverage is voluntary). In addition many people pay for health insurance policies to cover expenses not reimbursed by Medicare. These are known as Medicare supplemental policies. Medicare should be supplemented by a private health insurance plan.

- **Preferred Provider Organizations (PPOs)** — A group of medical-care providers contract with either an employer or health insurance company to offer services at a discount to that employer's workers or to the insurance company's policyholders.

  NOTE: Benefits of PPOs are threefold: First, participating members normally pay less for medical services by going to PPO medical-care providers. Second, participating medical-care providers gain more patients and receive immediate payment from patients. Third, the employer or insurance company often spends less on medical coverage and claims.

- **Private insurance programs**

- **Veterans' Administration (VA)** — Medical benefits provided to U.S. veterans, eligible dependents of U.S. veterans or a survivor of a U.S. veteran; offers hospital and outpatient care for all service-related medical conditions

- **Vision** — Provides coverage for eye examinations and the purchase of prescription lenses, frames and contact lenses

- **Workers' compensation** — Insurance provided by the employer for employees who suffer injuries or illness as a result of their working conditions; required by the state

  NOTE: Benefits provided through worker's compensation vary in all fifty states. If the employee is unable to work, a proportion of his/her wages are paid. There is usually a waiting period. The amount paid is usually about two-thirds of the employee's normal wages. Benefits are also paid to dependents if employee is killed on the job.

OBJECTIVE 9 **Discuss social security insurance.**

- Employees, employers and self-employed people pay social security contributions. Employers and employees must regularly contribute a certain percentage of the employees' wages. The social security tax deducted from your paycheck is matched by an equal amount paid by your employer.

  For employees in occupations covered by social security, the tax is compulsory. The amount of credit earned is measured in quarters of coverage. Presently, it is 40 quarters or 10 years of work. Employee's earnings will be indexed for use in computing formula to determine initial retirement benefits.

- Social security is **not** intended to be your only source of income. Instead, it is meant to be used to supplement the pensions, insurance, savings and other investments you will accumulate during your working years.

OBJECTIVE 10

Match types of social security benefits to their correct descriptions.

Social security involves four types of benefits: retirement insurance, disability insurance, survivors' insurance and medicare.

- **Retirement insurance** — Employees who work and pay social security taxes (referred to as FICA on some pay stubs), are earning social security credits. The social security credits will enable employees to receive monthly benefits upon retirement starting at age 62.

  NOTE: The Department of Human Services' Social Security Administration publishes a pamphlet entitled "Retirement" that will explain the qualifying procedure. Social Security Administration offices are located in most communities.

- **Disability insurance** — To receive disability benefits from social security, a person must have a physical or mental impairment that is expected to keep him/her from doing any substantial work for at least a year. It can be a lifetime condition or one that is life threatening. This is not a temporary or partial disability benefit payment.

- **Survivors' insurance** — A deceased person's social security benefits can be passed on to his/her survivors if they are eligible and the deceased person had earned enough credits while working.

  NOTE: Part of the social security taxes that each individual pays goes toward survivor's insurance. The value of the survivor's insurance is probably more than the value of the commercial life insurance an individual might have.

- **Medicare** — Our country's basic health insurance program for people 65 or older and for many disabled people is Medicare. It provides both hospital and medical insurance. You will qualify for it automatically if you are eligible for social security or railroad retirement benefits.

  NOTE: You may qualify on a spouse's record, including a divorced spouse.

OBJECTIVE 11

State who is eligible to receive social security insurance.

A fully-insured, retired worker and the worker's spouse are entitled to receive full monthly social security payments at retirement age of 65. Reduced benefits may begin at age 62.

NOTE: Starting in the year 2000, the full retirement age will be increased until it reaches 67 in 2027. For anyone born after 1960 the normal retirement age will be 67 years of age. For individuals receiving social security retirement benefits there are limits to the amount of money they can earn without losing benefits. At age 70, full benefits are payable without penalty regardless of earnings.

OBJECTIVE 12

List two types of survivors' insurance payments covered by social security to eligible survivors.

- Single lump sum death benefits

  A death benefit of $255 is paid to surviving spouse or children of a covered worker. Application for payment must be filed within two years after death of insured person.

- Monthly benefit payments

  Payments can be made to a deceased worker's unmarried children who are full-time elementary or secondary students under age 19; unmarried children 18 or over who were disabled before age 22 and are still disabled; widow or widower 60 or older; widow, widower or surviving divorced mother caring for worker's child under 16; widow or widower 50 or older who becomes disabled not later than 7 years after worker's death or within 7 years after he or she stops getting checks as a widow or widower caring for a worker's children; or dependent parents 62 or older.

OBJECTIVE 13

State the purpose of social security disability insurance.

- Disability insurance under social security gives workers protection against loss of earnings due to disability.

  NOTE: It is important that you understand how social security defines "disability." That is because different programs have different bases for determining disability. As a result, some programs may pay for partial disability or for short-term disability. Social security does **not.** Disability under social security is based on your inability to work. You will be considered disabled if you are unable to do any kind of work for which you are suited, and if your inability to work is expected to last for at least a year or to result in death.

  Some consider this a strict definition of disability, and it is. The program assumes that working families have access to other resources to provide support during periods of short-term disabilities, including worker's compensation, insurance, savings and investments. Social security benefits are designed to provide a continuing income to you and your family when you are unable to do so. Benefits continue as long as you remain disabled.

  Disability is defined as blindness or a medically determined physical or mental condition that has continued for 5 months and can be expected to result in death or to last for a continuous period of not less than 12 months and leaves the individual unable to engage in gainful activity. The worker's age, education, training and work experience are considered in determining whether or not the individual is disabled. Payment of disability benefits begins after individual has been disabled for five full months.

ASSIGNMENT SHEET 1

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE

VII

NAME ______________________________ SCORE ________

OBJECTIVE 14 **Calculate health-care costs.**

INTRODUCTION

Major medical coverage provides people with protection against today's skyrocketing health-care costs. This assignment shows how major medical insurance and its four components help protect the policyholder from these huge medical costs.

DIRECTIONS

Read the following injury report. Using information from the report, calculate the deductible, co-insurance payments, how much the insurance company pays once the stop-loss limit is reached, the total amount the policyholder pays and the total amount the insurance company pays. There is also a space in which to show the total payment, which should equal the total medical bill. Fill in the given chart with the answers. Use the space provided for calculations. For help, refer to the Information Sheets.

Operation and Calculation Skills
- Calculate with whole numbers

Math Application Skills
- Solve word problems

Cognitive Activities Skills
- Analyze/synthesize information
- Transfer knowledge/training to new situations

Injury Report

Leroy is a professional water skier. During one of his summer tours, he is injured in a fall. His hospital and medical bills total $6,780. His major medical policy has an annual deductible of $150; 80/20 percent co-insurance; a stop-loss of $4,000; and a $500,000 upper limit.

Major Medical Coverage Components

Insurance component	Leroy's payment	Insurance company's payment	Total payment
Deductible			
Co-insurance			
Stop-loss			
Total payment			

Calculations:

ASSIGNMENT SHEET 1

Major Medical Coverage Components

Insurance component	Leroy's payment	Insurance company's payment	Total payment
Deductible	$150	$ 0	$ 150
Co-insurance	$800	$3,200	$4,000
Stop-loss	$ 0	$2,630	$2,630
Total payment	$950	$5,830	$6.780

Calculations:

Deductible —

- Leroy's deductible is a flat $150.
- The insurance company does not pay a deductible.
- The total is $150 ÷ $0 = $150.

Co-insurance —

- After paying the $150 deductible, Leroy pays 20 percent of covered expenses up to the stop-loss limit, which is $4,000. So, Leroy's co-insurance payment is .20 × $4,000 = $800.
- After the deductible is met, the insurance company pays 80 percent of covered expenses up to the stop-loss limit. So, the insurance company's payment is .80 × $4,000 = $3,200.
- The total is $800 + $3,200 = $4,000.

Stop-loss —

- Only the insurance company pays after the stop-loss limit has been reached. So, the insurance company pays the rest of the bill, as long as it falls below the upper limit. The rest of the bill is $6,780 – $(150 + 800 + 3,200) = $2,630.

Total payment —

- The total payment for Leroy is $150 + $800 = $950.
- The total payment for the insurance company is $3,200 + $2,630 = $5,830.
- The total payment for Leroy and the insurance company is $950 + $5,830 = $6,780.

WRITTEN TEST

EVALUATING LIFE, HEALTH AND SOCIAL INSURANCE

VII

NAME ________________________________ SCORE ______

OBJECTIVE 1

Match terms associated with life, health and social insurance to their correct definitions. Write the correct letters in the blanks.

______ 1. Items or circumstances for which the insured is promised payment

______ 2. Amount of money that will be paid from a life insurance policy if the insured dies or reaches a certain age

______ 3. A form of risk management that provides protection against personal and financial loss

______ 4. Court appoints individual to manage estate, to prepare tax returns, pay taxes, investigate claims against estate, pay outstanding debts and determine value of property

______ 5. Highest level of an insurance agent

______ 6. Percentage of health insurance premiums that the company pays to policyholder as benefits

______ 7. Making payments yearly

______ 8. A certain amount of money a policyholder must pay before insurance will pay to cover loss

______ 9. Health or life insurance policy offered to a group of people

a. Administrator

b. Annual premiums

c. Assets

d. Benefits

e. Beneficiary

f. Cash value

g. Chartered Life Underwriter

h. Claim/s

i. Coverage

j. Deceased

k. Deductible

l. Exclusion

m. Executor

n. Face value

o. Grace period

p. Group policy

q. Individual policy

r. Insurance

_____10. Failure to make premium payment and insurance coverage ends

_____11. Payment for losses

_____12. Individual named in will to manage estate

_____13. Person or group to whom policyholder benefits will be paid upon insured's death

_____14. Amount of extra time policyholder is given to pay premium after it is due

_____15. Voluntary financial agreement between an individual and an insurance company

_____16. Money that builds up in the savings portion of some kinds of life insurance policies

_____17. Type of losses or circumstances not covered in an insurance policy

_____18. Any injury, illness or condition diagnosed or treated during a certain amount of time before an individual is covered by a health insurance policy

_____19. Formal request for payment of amount due as a result of loss

_____20. Health or life insurance policy for one person or one household

s. Insurance agent

t. Lapse

u. Liable

v. Life insurance

w. Loss-ratio

x. Pre-existing condition

y. Premium

OBJECTIVE 2

List five factors used to determine amount of life insurance needed.

____

____

____

____

____

OBJECTIVE 3

Match types of life insurance to their correct descriptions. Write the correct letters in the blanks.

______1. Provides combination of insurance and savings

______2. Provides opportunity to put premium payments into different investments

______3. Provides coverage for a specified amount of time and pays a death benefit only if the insured dies within that time period

______4. Provides flexibility in that within certain limits it allows insured to design premium payment schedule and protection levels

______5. Provides protection as long as the insured lives; the amount of the premium is set at the time the policy is bought; has a savings factor; face value is not available until death or old age

a. Endowment insurance

b. Liability life insurance

c. Temporary insurance

d. Term insurance

e. Universal life insurance

f. Variable life insurance

g. Whole life insurance

OBJECTIVE 4

Match types of life insurance special clauses to their correct descriptions. Write the correct letters in the blanks.

______1. Allows insured to continue an insurance policy for as long as premiums are paid

______2. Excludes certain situations from coverage

______3. States that if the insured dies as the result of an accident the policy will pay an extra amount

______4. Premium payments can be skipped for a certain period of time

______5. Allows policyholder to buy more insurance until a specified age even though the insured becomes uninsurable as a result of poor health

______6. The right to change your life insurance beneficiary

______7. Insured has a temporary policy for a certain period of time until insurance company has verified information on the application to be accurate and true

______8. Insurance company pays premium in case the policyholder forgets to pay it on time

a. Accidental death benefit

b. Endowment clause

c. Automatic premium loan

d. Credit life

e. Guaranteed insurability

f. Universal clause

g. Noncancelable clause

h. Waiver-of-premium

i. Incontestable clause

j. Assignment clause

k. Exclusions

OBJECTIVE 5

Choose from the following list factors that affect life insurance costs. Write an "X" in the blank before each correct answer.

______1. Type of insurance

______2. Type of dwelling

______3. Age of insured

______4. Claims paid

______5. Location of company

______6. Operation expenses

______7. Reserve fund

______8. Number on staff

______9. Insured's health

_____10. Insured's sex

_____11. Insured's occupation

_____12. Face amount of policy

OBJECTIVE 6

List three general rules to follow when buying life insurance.

____

____

____

OBJECTIVE 7

Match types of basic health insurance to their correct descriptions. Write the correct letters in the blanks.

______1. Package that covers services not provided by a basic health insurance plan

______2. Pays a portion of the salary when an individual is unable to work because of illness or injury

______3. Package coverage that includes payment for a hospital room, doctor's visits to your room, surgeon's fees and operating room costs

a. Basic hospital/surgical/physician coverage

b. Medicaid

c. Disability income insurance

d. Medicare

e. Major Medical

OBJECTIVE 8

Match types of health insurance programs to their correct descriptions. Write the correct letters in the blanks.

______1. Local health departments, volunteer agencies or local health fairs offering free or low-cost medical services

______2. Insurance provided by the employer for employees who suffer injuries or illness as a result of their working conditions; required by the state

______3. An organized system of health care providing a comprehensive package of health services through a group of physicians to a voluntarily enrolled membership within a particular geographic area on a fixed prepayment basis

______4. Uses state and federal funds to help pay medical expenses for low-income people of all ages

______5. Pays medical expenses for a single major disease or a groups of major diseases

______6. Medical benefits provided to U.S. veterans, eligible dependents of U.S. veterans or a survivor of a U.S. veteran; offers hospital and outpatient care for all service-related medical conditions

a. Blue Cross/Blue Shield

b. Co-insurance

c. Community programs

d. Dental

e. Disability income

f. Dread disease

g. Health Maintenance Organization (HMOs)

h. Hospital indemnity policies

i. Long-term care

j. Major medical

k. Medicaid

l. Medicare

m. Preferred Provider Organization (PPOs)

n. Stop-loss

o. Veterans' Administration (VA)

p. Vision

q. Workers' Compensation

______7. Provides federally funded medical and hospital benefits to most people 65 and older and to certain disabled individuals of any age; money is provided through the social security system

______8. Provides reimbursement for expenses of dental services and encourages preventive care

______9. Pay benefits only when the insured is hospitalized

_____10. Provides coverage for eye examinations and the purchase of prescription lenses, frames and contact lenses

_____11. A group of medical-care providers contract with either an employer or a health insurance company to offer services at a discount to that employer's workers or to the insurance company's policyholders

_____12. Helps pay for long-term health care that may be needed because of illness or disabilities

OBJECTIVE 9 **Discuss social security insurance.**

____

____

____

OBJECTIVE 10 **Match types of social security benefits to their correct descriptions.** Write the correct letters in the blanks.

______1. Monthly benefits received at age 62 or above

______2. Benefits for family

______3. Received for physical or mental impairment

______4. The basic health care insurance program

a. Vision insurance

b. Dental insurance

c. Survivors' insurance

d. Medicare

e. Retirement insurance

f. Disability insurance

OBJECTIVE 11 **State who is eligible to receive social security insurance.**

____

____

OBJECTIVE 12 **List two types of survivors' insurance payments covered by social security to eligible survivors.**

____

____

OBJECTIVE 13 **State the purpose of social security disability insurance.**

____

____

NOTICE The following assignment sheet is not part of the written test. If this activity has not been completed, check with your instructor.

OBJECTIVE 14 **Calculate health-care costs.** SCORE ______

OBJECTIVE 1

1. i
2. n
3. r
4. a
5. g
6. w
7. b
8. k
9. p
10. t
11. d
12. m
13. e
14. o
15. v
16. f
17. l
18. x
19. h
20. q

OBJECTIVE 2

Answer should include five of the following:

- Amount of debts
- Amount of other financial resources available
- Burial expenses
- Current and projected income
- Debt payments
- Future education needs for family members
- Inflation and general economic conditions
- Number and age of dependents

OBJECTIVE 3

1. a
2. f
3. d
4. e
5. g

OBJECTIVE 4

1. g
2. k
3. a
4. h
5. e
6. j
7. i
8. c

OBJECTIVE 5

1, 3, 4, 6, 7, 9, 10, 11, 12

OBJECTIVE 6

Answer should include three of the following:

- Assessment of the need for life insurance at each stage of the life cycle
- Estimate of other assets
- Future goals
- Number of dependents or family size
- Occupational hazards

OBJECTIVE 7

1. e
2. c
3. a

OBJECTIVE 8

1. c
2. q
3. g
4. k
5. f
6. o
7. l
8. d
9. h
10. p
11. m
12. i

OBJECTIVE 9

Answer should include the following:

Employees, employers, and self-employed people pay social security contributions. Employers and employees must regularly contribute a certain percentage of the employees' wages.

OBJECTIVE 10

1. e
2. c
3. f
4. d

OBJECTIVE 11

A fully-insured, retired worker and the worker's spouse are entitled to receive full monthly social security payments at retirement age of 65. Reduced benefits may begin at age 62.

OBJECTIVE 12

- Single lump sum death benefits
- Monthly benefit payments

OBJECTIVE 13

Answer should include the following:

Disability insurance under social security gives workers protection against loss of earnings due to disability.

OBJECTIVE 14

Refer to answers to Assignment Sheet 1.

OBJECTIVE SHEET

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

INTRODUCTION

Consumers need protection from being fooled or tricked when purchasing goods or services. The U.S. government has many agencies established for the sole purpose of consumer protection. Even with help from the law, the buyer must still be diligent when purchasing goods or services. For this reason, the knowledgeable shopper is the best protection against fraud.

UNIT OBJECTIVE

After completing this unit, the student should be able to identify ways by which a buyer may be defrauded and describe ways to obtain redress. The student will demonstrate these competencies by completing an assignment sheet and written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with consumer protection to their correct definitions.
2. Match types of fraud to their correct descriptions.
3. Complete statements about the elements necessary to prove fraud.
4. Arrange in order the procedure for filing a complaint citing fraud.
5. Select from a list statements about shopper responsibility.
6. Select from a list items to include in a letter of complaint.
7. Compare store prices. (Assignment Sheet 1)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss automobile and property insurance.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed for the unit.

DELIVERY

Objective 1

- Discuss terms for the unit.

- Have students do Handout 1, "Find and Define."

Objective 2

- Have students share with the class an experience they have had with fraudulent acts.

- Ask students to be aware of ads which might be misleading or guilty of "puffing."

- Have students interview a postmaster to learn about mail fraud.

Objective 3 and 4

- Assign students to check the library for *Standard and Poor's Directory of Corporations, Directors and Executives*.

  NOTE: This book is usually found in the reference section of the library.

- Check the telephone directory for agencies that could assist consumers in the city or state.

Objective 5

- Have students role play situations which involve dissatisfied customers.
    - A customer trying to find a product he or she read or heard about in an ad.
    - A man who bought a TV that didn't work well. He is suing the dealer in small claims court.
    - The manager of a grocery store trying to calm an irate customer who felt he was cheated.

Objective 6

- Review the letter of complaint in Supplement 1.
- Discuss the agencies of the Federal government provided in Handout 2.
- Have students do Activity Sheet 1.

APPLICATION

Objective 7

- Use Assignment Sheet 1 to give students practice in doing comparison shopping.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.
- Give the written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

- American Council on Consumer Interest, 162 Stanley Hall, University of Missouri, Columbia, MO 65201.

  NOTE: This nonpartisan, nonprofit organization serves consumer educators through conferences, newsletters of federal and state consumer-oriented actions and consumer resource materials, Consumer Education Forum, and Journal of Consumer Affairs.

- *Changing Times*, The Kiplinger Magazine, 1927 H St. N.W., Washington, D.C. 20006.
- *Consumer News*, Consumer Information Center, Pueblo, CO 81009.

  NOTE: Consumer News is published twice a month by the Office of Consumer Affairs (Department of Housing and Urban Development) and reports on federal programs, laws, and developments affecting consumers.

- Consumers Research, Inc., Bowerstown Rd., Washington, NJ 07882.

  NOTE: This organization publishes a monthly Consumers' Research Magazine which includes reports, ratings, and recommendations on a variety of consumer products.

- Consumers Union of the U.S., Inc., 256 Washington St., Mt. Vernon, NY 10550.

  NOTE: This organization publishes Consumer Reports magazine, a yearly Buying Guide, and a teacher's manual.

- FDA Consumer. Consumer Information Center, Pueblo, CO 81009.

  NOTE: Issued ten times a year, this publication provides information on current Food and Drug Administration developments. The articles may be reprinted without permission. In addition, any FDA office will supply free copies of Consumer Memo, a two-to-four page publication on current problems and legislation related to food, drugs and cosmetics.

- Joint Council on Economic Education, 1212 Avenue of the Americas, New York, NY 10036.

  NOTE: This organization will put your name on its mailing list and send you catalogs listing inexpensive materials that can be used to introduce economic topics into consumer education courses. The state council of the JCEE can also help you with this task.

  In addition, consumer-complaint columns in local newspapers, state and local consumer education organizations, and local agricultural extension services can help the educator stay informed on current consumer topics.

- *Money*, Time-Life Building, 541 N. Fairbanks Court, Chicago, IL 60611.

  NOTE: This monthly magazine features articles on money management, mainly for those with more than average financial resources.

UNIT REFERENCES

- *Consumer Advisor, an Action Guide to Your Rights.* Pleasantville, New York: Readers Digest Association, Inc., 1989.
- Riekes, Linda and Sally Mahe. *Young Consumers.* West Publishing, 1975.
- Saalbach, William F. *Consumer Rights and Protection*, Dallas, TX: Laidlaw, 1975.

- *You and the Law.* Pleasantville, New York: Reader's Digest Association, 1980.

PRETEST ANSWERS

IDENTIFYING CONSUMER PROTECTION ISSUES VIII

OBJECTIVE 1	1. g 2. d 3. a 4. e 5. b 6. h
OBJECTIVE 2	1. d 2. c 3. a 4. b
OBJECTIVE 3	1. statement 2. buyer, statement 3. seller, truth
OBJECTIVE 4	3 1 2
OBJECTIVE 5	1, 3, 4
OBJECTIVE 6	1 3 4 5

HANDOUT 1

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

FIND AND DEFINE

D	I	F	O	D	I	S	C	L	A	I	M	E	R	E	D	U
B	A	I	T	A	N	D	S	W	I	T	C	H	C	A	R	F
D	I	K	E	T	A	T	S	R	E	T	N	I	O	N	E	T
U	C	R	T	W	G	Y	N	H	L	Y	C	F	N	E	P	C
A	O	A	L	P	N	I	C	R	E	D	I	T	S	E	O	A
R	J	M	E	D	I	N	G	U	D	B	T	S	U	T	S	R
F	P	E	D	C	D	G	O	T	D	N	I	R	M	N	S	T
D	B	D	O	L	A	H	I	G	E	X	N	M	E	A	E	N
B	R	A	N	D	E	L	Y	M	F	N	T	S	R	R	S	O
S	A	R	H	J	L	B	H	L	A	L	R	O	J	A	S	C
N	L	T	D	G	S	S	M	D	U	P	A	R	G	U	I	B
O	R	U	E	D	I	N	G	F	L	L	S	B	F	G	O	N
I	T	E	E	N	M	S	O	C	T	F	T	F	E	T	N	A
N	G	H	R	U	K	O	W	F	T	C	A	J	M	L	K	C
E	W	A	G	N	I	F	F	U	P	T	T	K	D	L	P	P
I	G	X	C	A	C	A	V	E	A	T	E	M	P	T	O	R
L	B	C	E	O	U	P	S	S	E	R	D	E	R	G	K	P

1. Bait and switch
2. Brand
3. Caveat emptor
4. Consumer
5. Contract
6. Credit
7. Default
8. Disclaimer
9. Fraud
10. FTC
11. Garnishment
12. Interstate
13. Intrastate
14. Label
15. Lien
16. Misleading
17. Puffing
18. Redress
19. Repossession
20. Trademark

HANDOUT 1
ANSWERS

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

FIND AND DEFINE ANSWERS

D	I	F	O	D	I	S	C	L	A	I	M	E	R	E	D	U
B	A	I	T	A	N	D	S	W	I	T	C	H	C	A	R	F
D	I	K	E	T	A	T	S	R	E	T	N	I	O	N	E	T
U	C	R	T	W	G	Y	N	H	L	Y	C	F	N	E	P	C
A	O	A	L	P	N	I	C	R	E	D	I	T	S	E	O	A
R	J	M	E	D	I	N	G	U	D	B	T	S	U	T	S	R
F	P	E	D	C	D	G	O	T	D	N	I	R	M	N	S	T
D	B	D	O	L	A	H	I	G	E	X	N	M	E	A	E	N
B	R	A	N	D	E	L	Y	M	F	N	T	S	R	R	S	O
S	A	R	H	J	L	B	H	L	A	L	R	O	J	A	S	C
N	L	T	D	G	S	S	M	D	U	P	A	R	G	U	I	B
O	R	U	E	D	I	N	G	F	L	L	S	B	F	G	O	N
I	T	E	E	N	M	S	O	C	T	F	T	F	E	T	N	A
N	G	H	R	U	K	O	W	F	T	C	A	J	M	L	K	C
E	W	A	G	N	I	F	F	U	P	T	T	K	D	L	P	P
I	G	X	C	A	C	A	V	E	A	T	E	M	P	T	O	R
L	B	C	E	O	U	P	S	S	E	R	D	E	R	G	K	P

1. Bait and switch — Use an attractive price to bring in buyers then try to substitute more expensive article

2. Brand — A distinctive name identifying a product

3. Caveat emptor — (Latin) "Let the buyer beware."

4. Consumer — One who uses goods and/or services

5. Contract — An agreement between two parties that is legally binding

6. Credit — Buy now, pay later

7. Default — Failure to do something legally promised

8. Disclaimer — Denial of responsibility

9. Fraud — An act by which one person deliberately attempts to trick a second person, causing that person to suffer a loss

10. FTC — Federal Trade Commission

11. Garnishment — A court order requiring part of a salary be deducted from a worker's paycheck until debt is paid

12. Interstate — Commerce between states

13. Intrastate — Commerce within a state

14. Label — Description printed on product to show contents

15. Lien — Legal claim placed on a person's property in order to satisfy a debt

16. Misleading — Lead astray or cause to go wrong

17. Puffing — Exaggeration made by sellers in order to sell an item

18. Redress — Way to make up for loss

19. Repossession — Take back for non-payment

20. Trademark — Names/words used by manufacturers to identify their goods and services from those of others

Principal Federal Consumer Protection Agencies and What They Do

Consumer Product Safety Commission:

Mandate: To establish and enforce safety standards and oversee safety-related recalls of common household products.

Jurisdiction: Appliances, home furnishings, and other household products; toys and all-terrain vehicles (ATV's); flammability standards for carpets, children's sleepwear and other clothing; packaging of medicines and hazardous household products.

Environmental Protection Agency:

Mandate: To protect and enhance the environment by controlling pollution in the air and water.

Jurisdiction: Pesticides and herbicides; the disposal of toxic wastes; automobile and factory emissions; noise reduction standards.

NOTE: States sometimes allocate this responsibility to the State Health Department.

Federal Reserve System:

Mandate: To establish regulations governing equal credit opportunity, home mortgage disclosure, fair credit billing.

Jurisdiction: All Federal Reserve Banks and member banks.

Federal Trade Commission:

Mandate: To protect the free-enterprise system against any encroachments by monopolies; restraints of trade, and unfair and deceptive trade practices.

Jurisdiction: Prevention of general trade restraints in interstate commerce (such as price fixing, boycotts or illegal mergers); warranties for all kinds of consumer products; unfair credit practices; truthful packaging and labeling of products; trademarks; labeling of wool, fur and textile products.

Food and Drug Administration:

Mandate: To protect the people's health against impure and unsafe drugs, foods, and cosmetics, medical devices, and radiation-producing products.

Jurisdiction: Approval of the safety, effectiveness and labeling of prescription and non-prescription drugs; approval of the safety of certain foods, food additives and colors, and cosmetics; regulation of biological products; approval of certain medical and radiological devices.

Food Safety and Inspection Service:

Mandate: To assure the safety of all meat, poultry and related products.

Jurisdiction: Inspection of poultry and livestock at slaughterhouses; inspection of meat-processing plants and their products; grading standards for foods and food products; National School Lunch Program.

National Highway Traffic Safety Administration:

Mandate: To assure the safety and fuel economy performance of motor vehicles and motor vehicle equipment and to oversee safety-related motor vehicle recalls.

Jurisdiction: Establish standards for fuel economy, safety and damageability (bumper) for all domestic and imported motor vehicles.

United States Postal Inspection Service:

Mandate: To enforce mail fraud laws.

Jurisdiction: All offers of merchandise, services, etc., made through the mail.

United States Attorney General's Office:

Mandate: To enforce antitrust legislation and to act as legal representative of U.S. government agencies.

Jurisdiction: Antitrust legislation.

NOTE: Each state will have counterpart agencies that will handle problems in each state.

PRETEST

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with consumer protection to their correct definitions. Write the correct letters in the blanks.

______1. "Let the buyer beware"

______2. Names/words used by manufacturers to identify their goods and services from those of others

______3. Buy now, pay later

______4. An act by which one person deliberately attempts to trick a second person, causing that person to suffer loss

______5. Exaggeration made by sellers in order to sell an item

______6. One who uses goods and/or services

a. Credit
b. "Puffing"
c. Tax evasion
d. Trademark
e. Fraud
f. Defective
g. Caveat emptor
h. Consumer

OBJECTIVE 2

Match types of fraud to their correct descriptions. Write the correct letters in the blanks.

______1. Magical medical procedures by the unqualified

______2. A customer is attracted by a low price but salesperson attempts to sell a higher priced item

______3. Happens when there is a "catch" in the pricing

______4. Using dishonest claims about products

a. Deceptive pricing
b. Misleading advertising
c. Bait and switch
d. Health quackery
e. Postal fraud

OBJECTIVE 3

Complete statements about the elements necessary to prove fraud. Write the correct words in the blanks.

1. A ________________ must have been made by the seller.
2. The ________________ must prove the fact that the ________________ was false.
3. The ________________ must know that it was false; or show his ignorance of the ________________.

OBJECTIVE 4

Arrange in order the procedure for filing a complaint citing fraud. Write a "1" in front of the first step, a "2" in front of the second step and so on.

______1. Contact local consumer protection groups.

______2. Register the complaint with the market or seller.

______3. If no satisfaction comes from the seller, contact the product manufacturer.

OBJECTIVE 5

Select from a list statements about shopper responsibility. Write an "X" in the blank before each correct answer.

______1. Don't expect something for nothing.

______2. Do check all electrical appliances for the Good Housekeeping seal of approval.

______3. Do read every word of a contract before signing.

______4. Don't fall for statements such as "You can earn a lot, no experience necessary."

OBJECTIVE 6

Select from a list items to include in a letter of complaint. Write an "X" in the blank before each correct answer.

______1. Product name, serial or model number

______2. Telephone number of at least 2 acquaintances

______3. Your name, address, date

______4. Home telephone number

______5. Location of purchase

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objective.

OBJECTIVE 7 **Compare store prices.** SCORE ______

INFORMATION SHEET

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

OBJECTIVE 1

Match terms associated with consumer protection to their correct definitions.

- **Bait and switch** — Use of an attractive price to bring in buyers, then substitution of a more expensive item
- **Brand** — A distinctive name identifying a product
- **Breach of contract** — Failure of one party to a contract to fulfill his/her promise
- **Caveat emptor** — (Latin) "Let the buyer beware"
- **Complaint** — Showing displeasure or annoyance with circumstances, service or a product
- **Consumer** — One who uses goods and/or services
- **Contract** — An agreement between two parties that is legally binding
- **Credit** — Buy now, pay later
- **Default** — Failure to do something legally promised
- **Disclaimer** — Denial of responsibility
- **Fraud** — An act by which one person deliberately attempts to trick a second person, causing that person to suffer a loss
- **FTC** — Federal Trade Commission
- **Garnishment** — A court order requiring part of a salary to be deducted from a worker's paycheck until debt is paid
- **Guarantee/Warranty** — Contract between buyer and seller that a product will be satisfactory or as represented
- **Interstate** — Commerce between states
- **Intrastate** — Commerce within a state
- **Label** — Description printed on product to show contents

- **Liable** — Responsible; obligated to pay
- **Lien** — Legal claim placed on a person's property in order to satisfy a debt
- **Misleading** — Lead astray or cause to go wrong
- **Puffing** — Exaggeration made by sellers in order to sell an item
- **Redress** — Way to make up for loss
- **Repossession** — To regain possession of an item for non-payment
- **State's attorney general** — Elected official who prosecutes people who violate the law
- **Trademark** -- Names/words used by manufacturers to identify their goods and services from those of others

OBJECTIVE 2 **Match types of fraud to their correct descriptions.**

- Deceptive Pricing

  An example of deceptive pricing occurs when a "special" is advertised on a product, but there is a "catch" in the pricing. For instance, the cord for an electrical appliance may have to be bought "extra." Also, a product marked "On Sale," may sell for what turns out to be the regular price at another store.

- Misleading Advertising

  Millions of dollars are spent by businesses to persuade people to buy a particular item. Consumers are very receptive to misleading advertisement claims for aspirin, instant hair growth, toys, beauty aids and many more. An exaggerated claim such as "the finest shampoo in existence," is called "puffing" and stops just short of being illegal.

- Bait and switch

  This technique offers something at a most attractive price and when the customer comes to see it, a much "better" article is suggested.

- Health Quackery

Health quackery is the most dangerous fraud because human life may actually be at risk. Fraudulent practices may include magical medical procedures by the unqualified and wonder drugs that may deceive a patient until it is too late for accepted, established methods of treatment. Diet supplements that promise miracles no one with a weight problem can resist also fall into this category.

NOTE: Health insurance policies may contain limitations surprising to the unwary who did not read the small print.

- Postal Fraud

Postal fraud continues in spite of regulations to protect the consumer. The consumer may receive goods which were never ordered and then receive a bill asking for payment. It is now legal for the consumer to keep any unordered item which comes through the mail, and is not required to pay for it or return it. The company may try to prove that the item was ordered even to the extent of reading obituary columns and arguing that the deceased had ordered the item.

- Contract fraud

This is one of the most costly of all fraudulent practices in spite of persistent cautioning to "Read the fine print." The wording of a contract may include a confession of judgment clause that allows the contract holder to get a court order without notifying the buyer. Some contracts include wage assignment that takes from the buyer's income through the employer's withholding. More frequently, hidden costs are the problem. The finance charge and the annual interest percentage rate are not understood by the consumer and the resulting costs may triple the actual cost of the article. Not only may the item be repossessed, but the seller may place a lien on the property of the buyer. Repossession only means the article was taken back, but the buyer still must complete the terms of the contract by paying the amount outstanding. Guarantees/warranties may be verbal but are as binding as written ones.

OBJECTIVE 3

Complete statements about the elements necessary to prove fraud.

Fraud is very common in spite of local, state and federal regulations meant to protect the consumer. One reason for this is the difficult process necessary to prove fraud.

To prove fraudulent behavior, the following elements must be present:

- A **statement** must have been made by the seller.
- The **buyer** must prove the fact that the **statement** was false.
- The **statement** must be of importance to the **buyer**.
- The **seller** must know that it was false; or show his ignorance of the **truth**.
- It was the seller's intention that the buyer **act** on his **statement**.
- It was the buyer's lack of **knowledge** that the statement was **false**.
- It was a result of the buyer's **reliance** on the **truth** of the statement.
- It was the buyer's **right** to rely on the **statement**.
- The **buyer** was damaged as a result.

OBJECTIVE 4

Arrange in order the procedure for filing a complaint citing fraud.

1. Register the complaint with the market or seller.

   NOTE: An inferior or misrepresented article can be returned to the store where it was purchased. Usually the local dealer will simply replace the item.

2. If no satisfaction comes from the seller, contact the product manufacturer.

   NOTE: The address of the manufacturing company may not be on the article. In this case the address may be found in *Standard and Poor's Register of Corporations, Directors and Executives*. Check the local library for a copy of this book.

3. Contact local consumer protection groups.

   NOTE: Many communities have a Better Business Bureau which is available to give standings of a company and the number of complaints about the product or finance procedure. Complaints can be filed at the Better Business Bureau.

4. Contact the state attorney general's office.

   NOTE: Most attorney general's offices have a consumer fraud unit. They will press criminal charges when they feel there could be fraud. They are also available when questionable intrastate exchange of goods takes place. They are concerned with public health and check sanitation, food processing, weights and measures. Some states have ombudsmen to investigate complaints. Many states also have a three day law before a contract becomes valid after signing, giving either party three days in which to change their minds.

5. Contact federal agencies available to consumers.

   NOTE: There are federal laws that have come to the aid of the consumer. The postal service regulates and prosecutes violators who use the mail to defraud. The Federal Trade Commission regulates advertising; the Food, Drug and Cosmetic Act protects consumers, as do Fair Packaging and Labeling Act, Textile Fiber Products Identification Act, Wool Products Labeling Act, Fur Products Labeling Act, Federal Hazardous Substance Act, Consumer Credit Protection Act, Truth in Lending Act and others.

   Although the federal government has created agencies and does much to protect the consumer, their goal *is* to protect the public; they are not involved in redress for the consumer. If a person wants redress, he/she will have to sue.

OBJECTIVE 5

Select from a list statements about shopper responsibility.

Shoppers must assume responsibility for their purchases by comparing prices, checking quality, dealing with honest merchants, checking validity of certificates (doctors, dentists, etc.)

- Don't fall for statements such as:

  "You have been especially selected."

  "You can earn a lot, no experience necessary."

  "We are taking an advertising survey. Do you own a vacuum cleaner?"

  "You'll have to decide now. The offer closes tonight."

- Don't expect something for nothing. "There's no such thing as a free lunch!" Door prizes, premiums, free magazines, trading stamps are gimmicks.

- Do buy brands and articles with trademarks you have learned to trust.

- Do fill in every blank in a contract. If the question with the blank does not apply, write "N.A." (not applicable) or draw a line through it. Never leave an open blank on a contract.

- Do read every word of a contract before signing; get a lawyer if you don't understand a contract.

- Do refer to Consumer's Research or Consumer's Reports especially before buying larger items. These publications are non-profit, accept no advertising or samples, and do not allow any advertising based on their findings.

- Do check all electrical appliances for the Underwriter's Laboratory, Inc., seal.

- Do compare prices at grocery stores and save money by purchasing lowest priced items.

OBJECTIVE 6

Select from a list items to include in a letter of complaint.

A letter of complaint that a consumer should send when faced with an unsatisfactory purchase or repairs should contain the following:

- Your name, address, and the date
- Item purchased or repaired
- Product name, serial or model number
- Date of purchase
- Location of purchase
- Problem with product
- **Copies** of all written records (canceled checks, receipts, warranties, etc.) Keep the originals.
- Statement of how you would like the problem resolved
- Home telephone number
  Work telephone number

CONSUMER ALERT
HOW TO COMPLAIN BY MAIL

The U.S. Office of Consumer Affairs offers the following model for a complaint letter that consumers should send when faced with unsatisfactory purchases or repairs:.

Your Address
Your City, State, Zip Code
Date

Appropriate Person
Title
Company Name
Street Address
City, State, Zip Code

Dear (Appropriate Name):

State Your Purchase Name Product and Serial or Model Number of Service	Last week I purchased (or had repaired) a (name of product with serial or model number or service performed). I made this purchase at (location, date and other important details of the transaction).	Include Date and Location of Purchase: Other details
State Problem Ask for Satisfaction	Unfortunately, your product (or service) has not performed satisfactorily (or the service was inadequate) because _______________. Therefore, to solve the problem, I would appreciate (state the specific action you want). Enclosed are copies (copies—not originals) of my records (receipts, guarantees, warranties, canceled checks, contract, model and serial numbers and any other documents).	Give History of the Problem Enclose Copies of of ALL Documents
Ask for Action Within Reasonable Time	I am looking forward to your resolution of my problem, and will wait (set time limit) before seeking third-party assistance. Contact me at the above address or by phone at (home and office numbers here).	Include Your Address, Work and Home Phone Numbers

Sincerely,

Your Name
Your Account Number, if Appropriate

ACTIVITY SHEET 1

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

NAME ______________________________ SCORE _____

Write a letter of complaint for dissatisfaction with a product.

INTRODUCTION

When all else fails, a letter of complaint is sometimes the best way to get action. Use the letter in Supplement 1 as a guide. Include the following information in a letter explaining dissatisfaction of a product.

Language Skills
- Use standard grammar
- State ideas clearly

Composition Skills
- Use complete sentences
- Use introductory/closing paragraphs
- Proofread and edit

Functional Writing Skills
- Write letters

• Consumer:	John Jones 1000 Elm Street Anytown, OK 70000 Home phone 405-377-9999 Work phone 405-377-1111
• Product Company:	Radio America 5000 Oak Street Detroit, MI 20000 Joe Smith Customer Service Representative
• Product:	Battery operated AM/FM radio Serial No. PN224436 Model No. 23456
• Location of purchase:	Ed's Electronics Anytown, OK June 5, 199__
• Problem:	It quit working after 5 hours Batteries were not defective
•	Wants money refunded by July 1, 199__
• Enclosed documents:	Receipts, warranty, and canceled check

IDENTIFYING CONSUMER PROTECTION ISSUES

ACTIVITY SHEET 1

Answers should include information as in the letter which follows:

1000 Elm Street
Anytown, OK 70000
June 5, 199__

Joe Smith
Customer Service Representative
Radio America
5000 Worley Street
Bonnie, MI 20000

Dear Mr. Smith:

Last week I purchased an AM/FM battery operated radio with serial number PN 224436, and Model number 23456. I made this purchase at Ed's Electronics in Anytown, Oklahoma, on June 5, 199__.

Unfortunately, your product has not performed satisfactorily because it quit working after 5 hours of use. I checked the batteries and they are not defective. Therefore, to solve the problem, I would appreciate a refund from your company. Enclosed are copies of receipts, warranty, and canceled check.

I am looking forward to your reply and will wait until July 1, 199__, before seeking third party assistance. Contact me at the above address or by phone at work (405-377-9999) or home (405-377-1111).

Sincerely,

John Jones

ASSIGNMENT SHEET 1

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

NAME ______________________________ SCORE ________

OBJECTIVE 7 **Compare store prices.**

DIRECTIONS Compare the following grocery prices from two different stores and answer the questions pertaining to each list. Make your shopping list for each store selecting the lowest priced items.

Operation and Calculation Skills
- Calculate with decimals

Math Application Skills
- Select/apply mathematical procedure

Functional Reading Skills
- Follow written instructions

Cognitive Activities Skills
- Analyze/synthesize information
- Draw conclusions

		Ed's Market	Price-low	Your list Ed's Market	Your list Price-low
1.	1 gal. milk	$ 2.69	$ 2.39		
2.	1 loaf bread	.99	.89		
3.	1 dozen eggs	.79	.99		
4.	10 pounds potatoes	.99	1.49		
5.	1 pound margarine	1.09	.49		
6.	Corn flakes cereal	2.29	2.39		
7.	1 pound hamburger	1.29	1.49		
8.	1 head lettuce	.99	.79		
9.	Orange juice	1.10	.99		
10.	Tuna fish (6 oz.)	1.09	.69		
11.	Toilet paper (4 rolls)	.89	1.09		
12.	3 pounds apples	1.59	1.90		
13.	Paper towels	.69	.89		
	Total	$	$		

14. How much do the groceries cost at Ed's Market?

____

15. How much do the groceries cost at Price-low?

____

16. Make up your grocery list adding up the cheaper items from Ed's.

Total ____________

17. Make up your grocery list adding up the cheaper items from Price-low.

Total ____________

18. How much could you save by comparing prices and

purchasing the lower priced items at each store?

____

ASSIGNMENT ANSWERS

IDENTIFYING CONSUMER PROTECTION ISSUES VIII

ASSIGNMENT SHEET 1

	Your list Ed's Market		Your list Price-low	
1.			1 gallon milk	$2.39
2.			1 loaf bread	.89
3.	1 dozen eggs	$ .79		
4.	10 pounds potatoes	.99		
5.			1 pound margarine	.49
6.	Corn flakes	2.29		
7.	1 pound hamburger	1.29		
8.			1 head lettuce	.79
9.			Orange juice	.99
10.			Tuna fish	.69
11.	Toilet paper	.89		
12.	3 pounds apples	1.59		
13.	Paper Towels	.69		

14. $16.48
15. $16.48
16. $8.53
17. $6.24
18. $1.71

WRITTEN TEST

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

NAME ________________________________ SCORE ________

OBJECTIVE 1

Match terms associated with consumer protection to their correct definitions. Write the correct letters in the blanks.

______1. Commerce within a state

______2. Legal claim placed on a person's property in order to satisfy a debt

______3. Exaggeration made by sellers in order to sell an item

______4. A court order requiring part of a salary to be deducted from a worker's paycheck until a debt is paid

______5. Denial of responsibility

______6. To regain possession of an item for non-payment

______7. Buy now, pay later

______8. Use of an attractive price to bring in buyers, then substitution of a more expensive item

______9. A distinctive name identifying a product

_____10. Lead astray or cause to go wrong

_____11. Commerce between states

_____12. Responsible; obligated to pay

_____13. Elected official who prosecutes people who violate the law

a. Bait and switch

b. Trademarks

c. Brand

d. State's Attorney General

e. Breach of contract

f. Repossession

g. Caveat emptor

h. Redress

i. Consumer

j. Puffing

k. Deceptive pricing

l. Misleading

m. Federal consumer rights

n. Lien

o. Contract

p. Liable

q. Credit

_____14. Way to make up for loss

_____15. "Let the buyer beware"

_____16. Names/words used by manufacturers to identify their goods and services from those of others

_____17. Failure of one party to a contract to fulfill his/her promise

_____18. One who uses goods and/or services

_____19. An agreement between two parties that is legally binding

_____20. Failure to do something legally promised

_____21. An act by which one person deliberately attempts to trick a second person, causing that person to suffer a loss

_____22. Contract between buyer and seller that a product will be satisfactory or as represented

_____23. Federal Trade Commission

_____24. Description printed on product to show contents

r. Label

s. Default

t. Debt

u. Intrastate

v. Interstate

w. Health quackery

x. Guarantee/warranty

y. Disclaimer

z. Garnishment

aa. FDIC

bb. Fraud

cc. FTC

OBJECTIVE 2

Match types of fraud to their correct descriptions. Write the correct letters in the blanks.

______1. Occurs when a "special" is advertised on a product but there is a "catch" in the pricing

______2. Magical medical procedures which put human life at risk

______3. Occurs when the consumer receives goods which were never ordered and then receives a bill asking for payment

______4. This technique offers something at a most attractive price and when the customer comes to see it, a much "better" article is suggested

______5. One of the most costly of all fraudulent practices in spite of persistent cautioning to "Read the fine print"

a. Deceptive pricing
b. Misleading advertising
c. Caveat emptor
d. Disclaimer
e. Bait and switch
f. Default
g. Health quackery
h. Postal fraud
i. Contract fraud
j. Guarantee/warranty

OBJECTIVE 3

Complete statements about the elements necessary to prove fraud.

1. A ______________ must have been made by the seller.

2. The ________________ must prove the fact that the ______________ was false.

3. The ________________ must be of importance to the ______________.

4. The ______________ must know that it was false; or show his ignorance of the ______________.

5. It was the seller's intention that the buyer ______________ on his ______________.

6. It was the buyer's lack of ______________ that the statement was ______________.

7. It was a result of the buyer's ______________ on the ______________ of the statement.

8. It was the buyer's ______________ to rely on the ______________.

9. The ______________ was damaged as a result.

OBJECTIVE 4

Arrange in order the procedure for filing a complaint citing fraud. Write a "1" in front of the first step, a "2" in front of the second step and so on.

______ Contact local consumer protection groups.

______ If no satisfaction comes from the seller, contact the product manufacturer.

______ Register the complaint with the market or seller.

______ Contact the state attorney general's office.

______ Contact federal agencies available to consumers.

OBJECTIVE 5

Select from a list statements about shopper responsibility. Write an "X" in the blank before each correct answer.

______1. Don't expect something for nothing.

______2. Do buy brand names which are manufactured abroad because they are cheaper.

______3. Do check all electrical appliances for the Good Housekeeping Seal of Approval.

______4. Do fill in every blank in a contract.

______5. Do refer to the back issues of Wall Street Journal when buying large items.

______6. Do read every word of a contract before signing.

______7. Don't fall for statements such as "You can earn a lot, no experience necessary."

OBJECTIVE 6 **Select from a list items to include in a letter of complaint.** Write an "X" in the blank before each correct answer.

______1. Problem with the product

______2. Statement of how you would like the problem solved

______3. Item purchased or repaired

______4. Product name, serial or model number

______5. A list of bad purchases from the company

______6. Location of purchase

______7. 35mm photos of the product

______8. Copies of all written records (canceled checks, receipts, warranties). Keep the originals.

______9. Your name, address and the date

_____10. The telephone numbers of at least 2 acquaintances

_____11. Date of purchase

_____12. Home telephone number

NOTICE The following assignment sheet is not part of the written test. If the assignment has not been completed, check with your instructor.

OBJECTIVE 7 **Compare store prices.** SCORE ______

WRITTEN TEST ANSWERS

IDENTIFYING CONSUMER PROTECTION ISSUES

VIII

OBJECTIVE 1

1. u
2. n
3. j
4. z
5. y
6. f
7. q
8. a
9. c
10. l
11. v
12. p
13. d
14. h
15. g
16. b
17. e
18. i
19. o
20. s
21. bb
22. x
23. cc
24. r

OBJECTIVE 2

1. a
2. g
3. h
4. e
5. i

OBJECTIVE 3

1. statement
2. buyer, statement
3. statement, buyer
4. seller, truth
5. act, statement
6. knowledge, false
7. reliance, truth
8. right, statement
9. buyer

OBJECTIVE 4 3, 2, 1, 4, 5

OBJECTIVE 5 1, 4, 6, 7

OBJECTIVE 6 1, 2, 3, 4, 6, 8, 9, 11, 12

OBJECTIVE 7 Refer to answer to Assignment Sheet 1.

OBJECTIVE SHEET

JOINING LABOR UNIONS

IX

INTRODUCTION

Every person who enters the work world may at some time be faced with the decision of whether or not to join a union. The following unit is designed to provide information about unions in order to acquaint the student with the background but in no way influence a decision.

UNIT OBJECTIVES

After completing this unit, the student should be able to describe the basic advantages and disadvantages of unions. The student will demonstrate these competencies by completing assignment sheets and written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to:

1. Match terms associated with labor unions to their correct definitions.
2. Select from a list true statements about the conditions leading up to the organization of labor unions.
3. Arrange in order the major events in labor union history.
4. Arrange in order steps in a grievance procedure.
5. Discuss the disadvantages of labor unions.
6. List the advantages of being a labor union member.
7. Complete a timeline of the history of labor unions. (Assignment Sheet 1)
8. Match speaker to correct statement. (Assignment Sheet 2)
9. Complete a crossword puzzle containing terms pertaining to labor unions. (Assignment Sheet 3)

SUGGESTED ACTIVITIES

JOINING LABOR UNIONS

IX

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite a union member, a manager of a business with union employees and/or a manager of non-union business.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed.

DELIVERY

Objective 1

- Review the terms. Differentiate between negotiator, arbitrator, and mediator.

Objective 2

- Discuss the Industrial Revolution and the great changes which resulted.

  EXAMPLES: Child labor, working women, safe work situations

- Use Activity Sheet 1, "Case Studies of Labor Union Situations."

Objective 3

- Use timeline in Supplement 1 to discuss the history of labor unions.

- Use graph in Supplement 2 to discuss union membership.

Objective 4

- Discuss grievance procedure.
- Use Student Supplement 3.
- Use Transparency Master 1.

Objectives 5 and 6

- Discuss advantages and disadvantages of membership in a labor union.
- Have a panel discussion on union advantages and disadvantages. Invite a union member, manager of a union shop, and a manager of a non-union shop to serve on the panel. Let the students work on questions before the panel discussion.
- Invite a union member, manager of a union shop and a non-union shop to hold a panel discussion on advantages and disadvantages of labor unions.
- Have students do Activity Sheet 2.

APPLICATION

Objectives 7 through 9

- Have students who have a chosen career write the effects of unions on their choices.
- Assign students who have no career choice to investigate the union involvement in American Medical Association, Teacher organizations, the Fraternal Order of Police or other professional organizations.
- If not completed earlier in the unit, have students complete the timeline in Assignment Sheet 1. Use Supplement 1 if needed.
- If not completed earlier in the unit, have students do Assignment Sheet 2. Use Transparency Master 2.
- If not completed earlier in the unit, have students do Assignment Sheet 3 to review vocabulary.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify material in unit or create supplementary material for individual students as required.

Written Test

- Explain to students that they will be asked to demonstrate on the written test actions listed in the specific objectives.
- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

- Peterson, H. Craig, Ph.D. and William Lewis, Ph.D. Cincinnati, Ohio: South Western Publishing Co., 1985.
- Sinclair, Upton. "The Jungle." New York: Berkley Publishing Group, 1991.

UNIT REFERENCES

- Abramowitz, Jack. "Changing America after 1965," *American History Study Lessons,* Unit VI. Chicago, Illinois: Follett, 1969.
- *The American People in the Depression.* West Haven, Connecticut: Pendulum Press, 1973.

- *The American People in the Industrial City.* West Haven, Connecticut, 1973.

- Boorstin, Daniel J. *The Americans, The National Experience.* New York: Vintage Books, Random House, 1967.

- Cutler, Charles and George P. Merrell. *The Labor Movement.* Middleton, Connecticut: 1975.

- "Industrialization," *Patterns of Civilization.* Cambridge, New York: 1972.

- Marshall, Richard E. and John E. Wiltz. *Industry Enterprise and Political Life 1870—1905*, Search for Meaning Series. Philadelphia: Lippencott, 1973.

Pamphlets

- *The Rise of Organized Labor.* Xerox, 1980.

- "Steel and Steam," *Life History of the United States.* Time-Life, 1980.

- *You and the Law*, Readers Digest, USA, 1980.

PRETEST ANSWERS	**JOINING LABOR UNIONS** IX
OBJECTIVE 1	1. a 2. c 3. f 4. g
OBJECTIVE 2	2, 4
OBJECTIVE 3	2, 1, 3, 4
OBJECTIVE 4	8, 2, 4, 7, 3, 5, 1, 6
OBJECTIVE 5	Answer should include: • Some demands of unions may interfere with company policy decisions. • High wage demands may increase the cost to the point that the company goes out of business. • Impersonal relationships between employee and employer are more apt to occur in a firm where only union members work. • Unions have problems of internal control. • Dues for union workers may be exorbitant.
OBJECTIVE 6	Answers should include: • Assists with job security • Helps set income • Benefits which exceed non-member jobs • Training • Election of leaders • Outlet for sharing and resolving work-related problems
OBJECTIVES 7-9	Refer to answers to Assignment Sheets 1 through 3.

PRETEST

JOINING LABOR UNIONS

IX

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with labor unions to their correct definitions. Write the correct letters in the blanks.

______1. An organization made up of workers both skilled and unskilled in one or more industries

______2. A third party who has the authority to set terms for both labor and management to follow

______3. Workers stop work to force demands

______4. An attempt to put pressure on an employer or industry by refusing to buy, handle or use its products

a. Industrial union
b. Employer
c. Arbitrator
d. Lockout
e. Picket
f. Strike
g. Boycott
h. Injunction

OBJECTIVE 2

Select from the following list true statements about the conditions leading up to the organization of labor unions. Write an "X" in the blank before each correct answer.

______1. Workers were highly valued and were allowed to attend management meetings.

______2. Women and children were paid less than men for performing the same job.

______3. The Revolutionary War brought freedom from poor factory conditions.

______4. Jobs were scarce.

OBJECTIVE 3

Arrange in order the major events in labor union history. Place a "1" before the first event, a "2" before the second event and so on.

______ Knights of Labor was the first industrial union.

______ The "Grange" was formed.

______ Congress of Industrial Organizations (CIO) formed for unskilled workers.

______ AFL-CIO merged.

OBJECTIVE 4

Arrange in order steps in a grievance procedure. Place a "1" before the first step, a "2" before the second step and so on.

______ Government mediator or an arbitrator may help settle the dispute

______ Shop steward/ess talks to shop supervisor

______ If problem is not settled, shop steward/ess goes to management, chief plan steward/ess, or grievance committee

______ Next to higher union and company officials

______ Shop steward/ess and employee talk to supervisor

______ Next step is to higher authority, such as personnel manager

______ Complaints are reported to shop steward/ess

______ National union agent may negotiate with grievance committee

OBJECTIVE 5 **Discuss the disadvantages of labor unions.** State specific facts.

OBJECTIVE 6 **List the advantages of being a labor union member.**

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives.

OBJECTIVE 7 **Complete a timeline of the history of labor unions.**

SCORE ______

OBJECTIVE 8	**Match speaker to correct statement.**	SCORE _____
OBJECTIVE 9	**Complete a crossword puzzle containing terms pertaining to labor unions.**	SCORE _____

INFORMATION SHEET

JOINING LABOR UNIONS

IX

OBJECTIVE 1

Match terms associated with labor unions to their correct definitions.

- **Arbitrate** — To settle a dispute between two parties
- **Arbitrator** — A third party who has the authority to set terms for both labor and management to follow
- **Boycott** — An attempt to put pressure on an employer or industry by refusing to buy, handle or use its products
- **Closed shop** — Employer must hire only union workers
- **Collective bargaining** — Members of a union decide what they want and choose leaders (negotiators) to speak for them in settling their dispute with the employer
- **Craft union** — Organization in which only workers with the same skill can be members
- **Employee** — One who is hired and paid by another to do a specific job; any person permitted to work by an employer
- **Employer** — One who hires others to work for him
- **Industrial union** — An organization made up of workers both skilled and unskilled in one or more industries
- **Injunction** — A court order requiring the party to take or refrain from taking some specified action
- **Labor** — Workers employed to do a specific job
- **Labor union** — An organization of working people who band together to obtain higher wages, better working conditions, and protection of rights and interests
- **Lockout** — Employees are prevented from working by closing a factory or shop
- **Mediator** — A third party who has no power except to organize meetings of labor and management and help them come to agreeable terms.

- **Negotiators** — Those selected by union and management to talk over a disputed issue
- **Open shop** — Employees may choose whether or not to join a union
- **Picket** — A person stationed by a labor organization outside a place affected by a strike
- **Strike** — Workers stop work to force demands
- **Strike breaker ("scab")** — Person hired to replace a striking member
- **Trade union** — An organization made up of workers in a certain trade or occupation
- **Union** — An organized group of workers
- **Union label** — Unions ask other workers to buy only those products made by fellow union members
- **Union shop** — The employee need not be a union member when hired, but must join after employed
- **Wildcat strike** — Workers strike which is not authorized by union

OBJECTIVE 2 **Select from a list true statements about the conditions leading up to the organization of labor unions.** (Activity Sheet 1)

In the 1800's

- Workers had good relations with employers.
- Many jobs were done at home.

  NOTE: These were called "Cottage Industries" and/or "Home-based Businesses."

At the turn of the century

- The Industrial Revolution brought assembly lines, standardization of products and huge profits for employers.
- Workers became mere tools.

- Workers had no pensions, no unemployment insurance, no welfare, and no child labor laws.
- Pay was $1.50 per week.
- Women and children were paid less than men for performing the same job.
- Children started working at age six to help support their families.
- Factories were poorly lighted, badly ventilated and provided no safeguards for workers.
- Jobs were scarce.
- Large families had many mouths to feed.
- Many parents were uneducated with no hope of advancement.

OBJECTIVE 3

Arrange in order the major events in labor union history. (Supplements 1 and 2)

1867 — The "Grange" was formed to protect farmers from high rates charged by the railroad.

1869 — Knights of Labor was the first industrial union.

NOTE: This union favored arbitration and peaceful discussion rather than strikes.

1881 — American Federation of Labor (AFL) took the place of Knights of Labor.

NOTE: AFL was a crafts union, non-political, and concentrated on wages, hours and working conditions.

1903 — The Industrial Workers of the World ("Wobblies") practiced violence and terrorism.

1937 — The Auto Workers United.

1938 — The Congress of Industrial Organizations (CIO) was formed for unskilled laborers.

1955 — AFL and CIO merged.

NOTE: The name of the union is the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

NOTE: Government now covers many aspects of workers' problems such as workman's compensation, industrial accident, social security, discrimination in hiring, child labor; however, there still remain many points of contention between labor and management.

OBJECTIVE 4

Arrange in order steps in a grievance procedure. (Supplement 3 and Transparency Masters 1 and 2)

Typical grievance procedure under union contracts includes eight steps. They are:

1. Complaints are reported to shop steward/ess
2. Shop steward/ess talks to shop supervisor
3. Shop steward/ess and employee talk to supervisor
4. If problem is not settled, shop steward/ess goes to management, chief plan steward/ess, or grievance committee
5. Next step is to higher authority, such as personnel manager
6. National union agent may negotiate with grievance committee
7. Next to higher union and company officials
8. Government mediator or an arbitrator may help settle dispute

OBJECTIVE 5

Discuss the disadvantages of labor unions. (Activity Sheet 2)

There are several disadvantages of unions, most of which are problems to management rather than to workers. The following are some of the disadvantages:

- Some demands of unions may interfere with company policy decisions.
- Higher wage demands may increase the cost to the point that the company goes out of business.
- Impersonal relationships between employee and employer are more apt to occur in a firm where only union members work.
- Unions have problems of internal control.

  EXAMPLE: Unauthorized strikes have occurred without union sanction.
- Dues for union workers may be exorbitant.

OBJECTIVE 6

List the advantages of being a labor union member. (Activity Sheet 2)

- Assists with job security
- Helps set income
- Benefits which exceed non-member jobs

  EXAMPLE: Pension, sick leave and workman's compensation
- Training

  NOTE: Because of training of beginners, unions can assure management of quality work.
- Election of leaders

  NOTE: These leaders represent the members in collective bargaining.

- Outlet for sharing and resolving work-related problems.

NOTE: Workers may feel safer sharing problems with union representatives rather than directly with management.

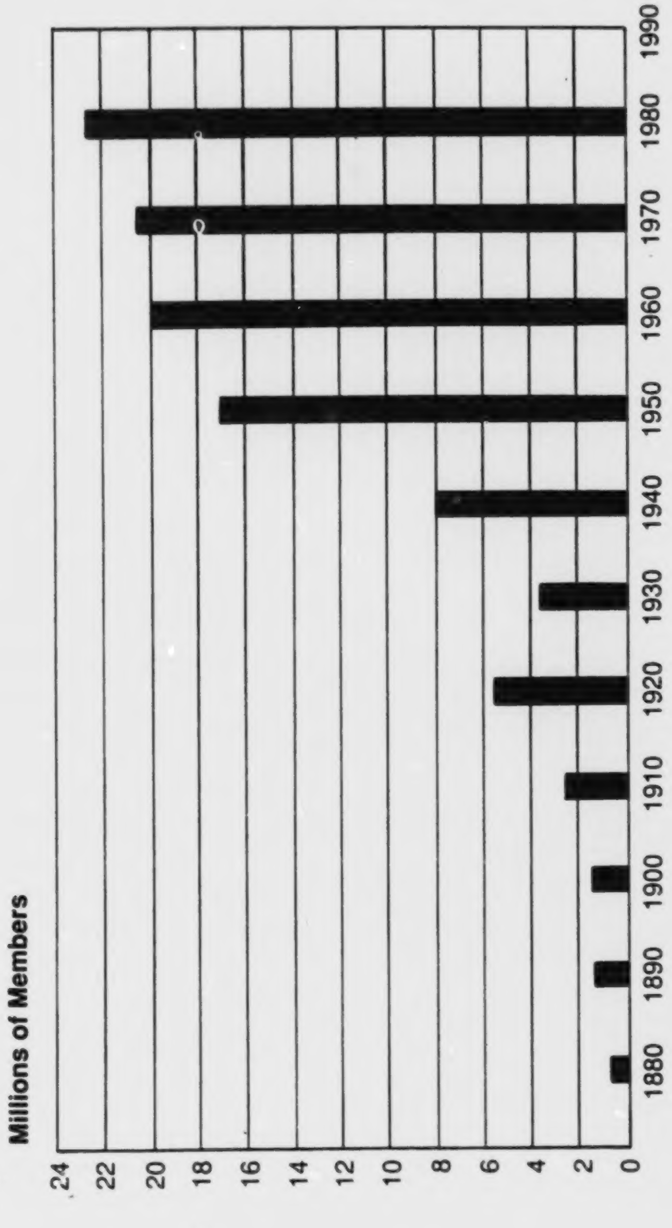
TIMELINE OF UNION HISTORY

Government participation		
	— 1776	Guilds—craftsmen, journeymen, apprentices, in units much like family
Strike in Philadelphia ruled illegal by President Jefferson	— 1806	
	— 1825	Boston carpenters struck for shorter hours (working 15)
	— 1834	National trades union in New England
President VanBuren ordered 10-hour day for government employees	— 1840	
Commonwealth vs. Hunt Unions declared legal	— 1842	
	— 1850	Typographers—first national union
Wm. H. Sylves tried to rule child labor. Dissolved 1872	— 1866	National Labor Union (lasted 6 years)
	— 1867	Patrons of Husbandry (Grange)
	— 1869	Noble Order of Knights of Labor
	— 1873-1877	Depression, unions went under
State of Mass. — 10 hour day for women (by 1920-42 states)	— 1874	
	— 1877	Great railway strike
	— 1881	American Federation of Labor
Bureau of Labor set up	— 1884	
Sherman Anti-trust against monopolies but ruled union strike restrained trade and commerce	— 1890	
Congress set 8-hour day for government employees	— 1892	Homestead Strike
President Cleveland called in troops	— 1894	Pullman Strike
Utah set 8-hour day for miners and smelters	— 1896	
President Roosevelt persuaded mine owners to approve wage increase. Threatened to have army run mines	— 1902	Anthracite Coal Strike
	— 1903	Industrial Workers of World
	— 1911	Triangle shirtwaist fire
	— 1912	Lawrence, Mass. - Textile workers strikes
	— 1913	Patterson, N.J. — Textile workers strikes
Bureau of Labor became Department of Labor/Pres. Cabinet Clayton Antitrust made peaceful strikes, boycotts legal	— 1914	
Adamson Act — 8-hour day railroad workers compulsory	— 1916	
Took kids out of labor and put in school	— 1917	Steel strike
		World War I Depression — decline of unions
Railway Labor Act — (President can postpone any strike in transportation)		
Norris LaGuardia Act (restricted courts from injunctions to return to work.)	— 1932	
NIRA, see 7A. Defined unfair practices, could join unions	— 1933	

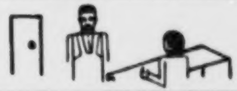
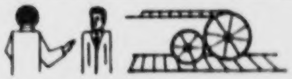
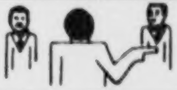
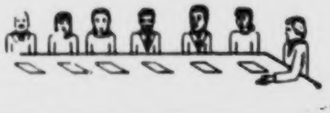
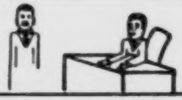
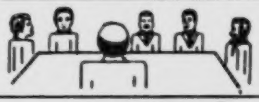
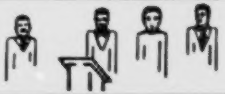
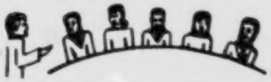
TIMELINE OF UNION HISTORY

NLRA set up by Wagner Act — right to organize, collective bargaining. Social Security Act.	— 1935	Lewis formed CIO (Congress of Industrial Organization)
	— 1937	Reuther formed UAW. Steel permitted unit
40 hour week, minimum wage — $.25, unemployment comp, old age pension	— 1938	
Minimum wage $.30	— 1939	
	— 1941	Ford opened door to union followed by Chrysler + 81 GM plants
Minimum wage $.40	— 1945	
Taft-Hartley amended NLRA	— 1946	United Mine Workers
Put more curbs on unions, outlawed closed shop for products foreign markets	— 1947	
Minimum wage $.75	— 1950	
	— 1955	AFL-CIO merged
Minimum wage $1.00	— 1956	
Landrum-Griffin Act — protect union members from abuses, misuse of funds. Fraud in elections, list of charges in writing, allow time to reply. Forbids retaliation in collective bargaining, negotiations	— 1959	
Minimum wage $1.15		
Minimum wage $1.25	— 1963	
Civil Rights Act (Amended '72) Prevent discrimination on grounds of race, religion, nationality, sex	— 1964	
	— 1966	Air Controller's strike grounded 61.5% of nation's air traffic
Cannot refuse to hire handicapped	— 1973	
If there are 150 or more employees, cannot exclude pregnancy from disability coverage	— 1978	
Minimum wage $2.00	— 1980	UAW reaffiliated with AFL-CIO
	— 1981	Professional baseball strike
	— 1982	Professional air traffic controllers organized
	— 1983	Professional football on strike for 4 games, only played 12 games
Minimum wage $3.85	— 1988	Professional football strike — 3 games
	— 1990	Professional baseball lockout (Exhibition season)
Minimum wage $4.25	— 1991	Aprli 1

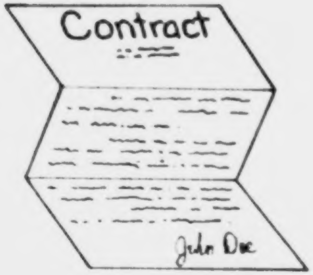
Union Membership in America



Typical Grievance Procedure Under Union Contracts

	1	Employee reports on complaints to shop steward/ess.
	2	Shop steward/ess talks to shop supervisor.
	3	Shop steward/ess and employee talk to supervisor.
	4	If problem is not settled, shop steward/ess goes to management, chief plant steward/ess, or grievance committee.
	5	Next step is to higher authority, such as personnel manager.
	6	National union agent may negotiate with grievance committee.
	7	Next step is to higher union and company officials.
	8	Government mediator or an arbitrator may help settle dispute.

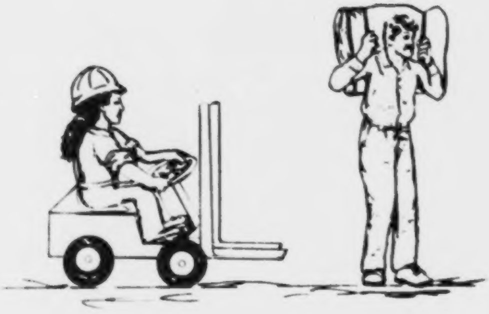
Some Features of a Labor Contract



Workers Covered

Union Status

Hours of Work



Wage Rates for
each Job Classification

Seniority Rights

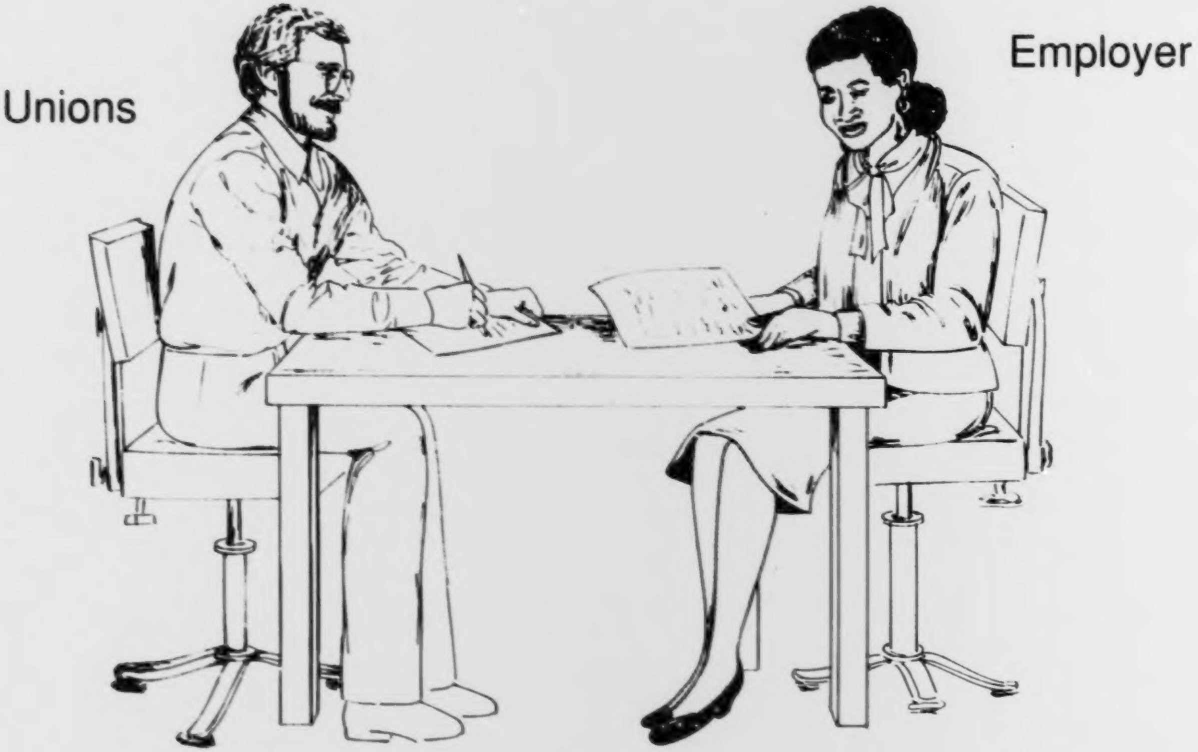
Job Security

Grievance Procedure

Fringe Benefits

TRANSPARENCY MASTER 2 · ICE II
IX · 27

Collective Bargaining


Unions
Employer

TM 2

ACTIVITY SHEET 1

JOINING LABOR UNIONS

IX

NAME ______________________________ SCORE ______

CASE STUDIES OF LABOR UNION SITUATIONS

The following case studies come from the early history of labor unions. Briefly describe how you would handle each situation.

CASE STUDY 1

You work in a steel mill in Byington, Homestead. The noise prohibits talking; the heat is intense; blast furnaces are open so you must wear smoked glasses; no safety precautions are taken from burning metal or moving machinery. You must keep up with the work 12 hours a day, six days a week. One week you work on the night shift, the next week you work days. (If you are 1 out of 5 you will work seven days a week.) Your father works the alternate shift so you rarely see him. You live in a company house and buy at a company store. You had to leave school at age 12 to go to work because your help was needed to help support the family—6 other children.

You have learned of a movement to form a union that would demand shorter hours with more pay. If you join the union you may be fired. What will you do?

Reading Comprehension
- Draw conclusions
- Make generalizations
- React to written material

Language Skills
- Use standard grammar, correct spelling, punctuation and capitalization
- State ideas clearly

Composition
- Use complete sentences
- Compose essays

General Relating Skills
- Identify personal values/attitudes

Cognitive Activity Skills
- Identify critical elements/issues
- Define a problem
- Analyze/sythesize information
- Draw conclusions

Social Studies Application Skills
- Investigate/apply U.S. history

CASE STUDY 2

You are a 16-year old girl from the country. Due to the large family, the older children had to leave home to support themselves. You got a job as a weaver and were hired because you are big and strong. Your work requires that you stand at the loom all day and you are paid less than the men for the same job. You are not paid by the hour but by the yards of silk you produce at $.07 to $.10 per yard. You are able to do 10 to 12 yards per day. The conditions are unsafe, unsanitary and depressing. You feel helpless and hopeless. Most of your wages go to pay rent on an attic room.

The garment weavers have been invited to join with a successful industrial union. What would your answer be?

CASE STUDY 3

You are a 25-year old machinist who has worked for ten years in different shops. Once you needed to be able to do all types of assembly, but now the work is so specialized you spend 10 hours a day working on the same types of parts using a lathe. There is no chance to advance nor can you choose another type of work. You make about $2.00 per day on which you support a wife and two small children in a dingy New York City tenement. You know that one out of five machinists is out of work but you are so tired of doing the same thing day after day. Your only recreation is to go home and growl at your wife and children. A union representative has assured the people in the plant where you work that you can achieve better working conditions if you all stand together and join a union.

What would you do?

ACTIVITY SHEET 2

JOINING LABOR UNIONS

IX

NAME ______________________________ SCORE ________

Labor Union Analysis

Language Skills
- Use standard grammar
- State ideas clearly

Cognitive Activities
- Identify critical elements
- Draw conclusions

Social Studies Application Skills
- Investigate/apply US history

The student will be able to analyze his/her own position and need for labor unions.

When considering career choices, it is important that students are aware of all facets of the labor market. Labor unions and organizations are important aspects to evaluate.

During the 80's the media portrayed unions in a bad light. Strikes by public employees—teachers, policemen, and firefighters—have affected the public pocketbook. Large industries have moved to the "Sun Belt"—states where right-to-work laws prevail. Modern technology has reduced the number of workers needed in production. Blue collar workers, receiving higher wages through union activities have advanced on the salary scale to the point they tend to lose interest in social welfare causes.

However, the trend in labor organizations now is toward organizing professionals such as nurses, teachers, office workers, store clerks, etc. In other words, people who are supplying services rather than goods. So unions are still very much a definite factor in today's economic picture.

Each worker must decide whether or not he/she can benefit from a union job. There is still strength in unity.

Consider the careers listed below. Should these people be allowed to strike? Check those who should NOT be allowed to strike.

______doctors

______school teachers

______nurses

______TV announcers

______railroad engineers

______store clerks

______steel workers

______airline pilots

______newspaper printers

______coal miners

______police

______firefighters

Can you think of any circumstances in which those you checked might be justified in striking?

____

____

____

ASSIGNMENT SHEET 1

JOINING LABOR UNIONS

IX

NAME ______________________ SCORE ________

OBJECTIVE 7 **Complete a timeline of the history of labor unions.**

DIRECTIONS Using the timeline, place the letter of events listed under the correct time slot. Refer to Supplement 1 for assistance.

Reading Comprehension Skills
- Gain factual information

Research
- Select useful resources (supplement in unit)

Functional
- Use content area vocabulary

Application Skills
- Investigate/apply U.S. history

1865-1900

____

____

____

1900-1945

____

____

____

1945-1989

____

____

____

a. Congress set 8-hour day for government employees

b. Taft-Hartley Bill

c. Nobel Order of Knights of Labor

d. Congress of Industrial Organization

e. Passage of NLRA

f. Air Controller's Strike

g. American Federation of Labor

h. Clayton Anti-trust

i. Civil Rights Act

ASSIGNMENT SHEET 2

JOINING LABOR UNIONS

NAME ______________________ SCORE ______

OBJECTIVE 8

Listening
- Apply acctive listening skills
- Analyze/identify point of view

Functional Reading
- Use content area vocabulary

Match speaker to correct statement. Write the correct letters in the blanks.

Show your understanding of the terms associated with labor negotiations listed below by matching the correct statement to the speaker. (Transparency Master 2)

_____1. "News tonight between labor and management suggests that...."

_____2. "I recommend you both meet Monday."

_____3. "We must have full insurance coverage."

_____4. "Insurance costs are too high. I would have to raise prices on the product."

_____5. "The court orders you to desist."

_____6. "You WILL follow this plan."

_____7. "I have been named by the union to meet with your representative."

a. Employer

b. Employee

c. Mediator

d. Arbitrator

e. Negotiator

f. Commentator

g. Injunction server

ASSIGNMENT SHEET 3

JOINING LABOR UNIONS

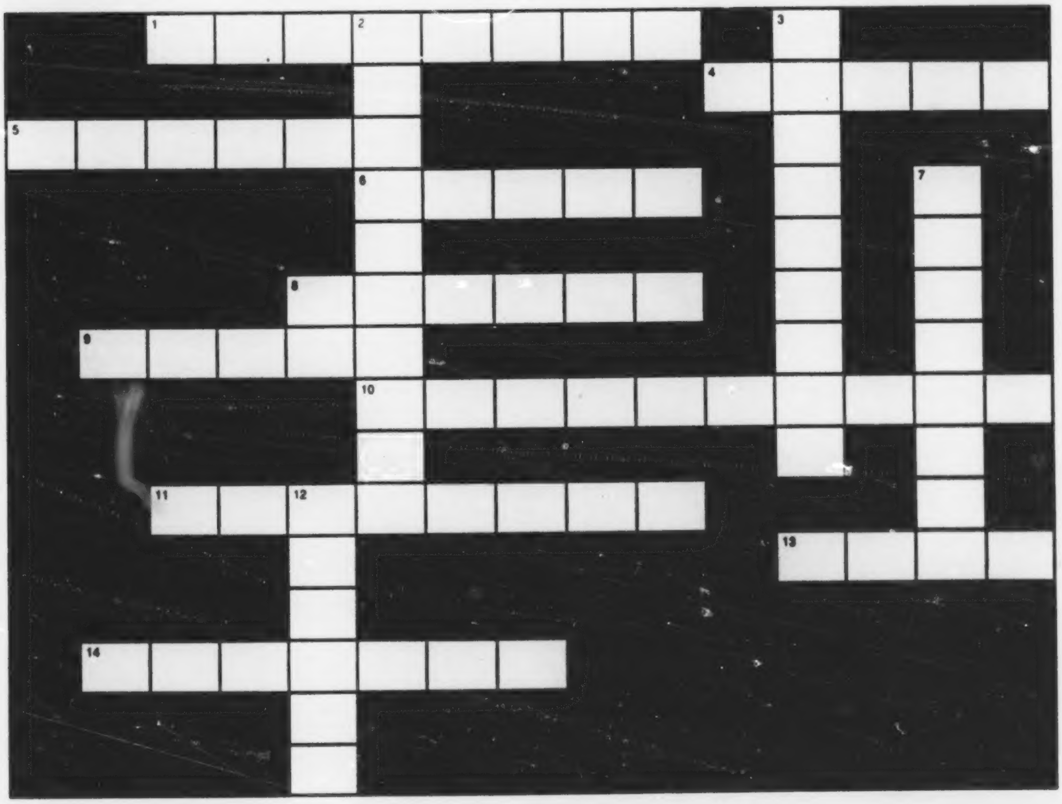
IX

NAME ______________________________ SCORE ______

OBJECTIVE 9 **Complete a crossword puzzle containing terms pertaining to labor unions.**

Research
- Select useful resources

Functional
- Use content area vocabulary



DOWN

2. Union made up of all workers, both skilled and unskilled.
3. To settle a dispute between two parties.
7. One who is hired and paid by another to do a specific job.
12. A person stationed by a labor organization outside a place affected by a strike.

ACROSS

1. A third party who has no power except to organize meetings of labor and management and help them come to agreeable terms.
4. Union in which only workers with the same skill can be members.
5. Shop in which employers must hire only union workers.
6. An organized group of workers.
8. Workers stop work to force demands.
9. Workers employed to do a specific job.
10. A court order requiring the party to refrain from taking some specifiefd action.
11. One who hires others to work for him.
13. Shop in which employees may choose whether or not to join a union.
14. Employees are prevented from working by closing a factory or shop.

ASSIGNMENT ANSWERS — JOINING LABOR UNIONS — IX

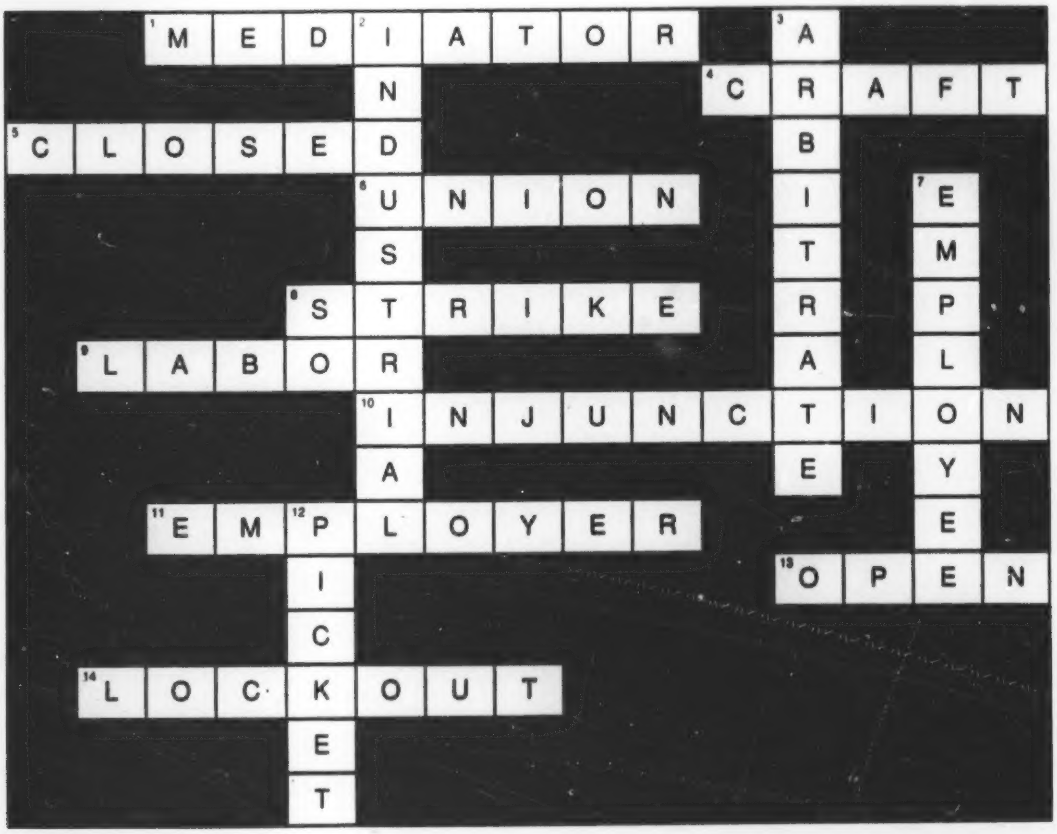
ASSIGNMENT SHEET 1

1865-1900	1900-1945	1945-1989
A	D	B
G	E	F
C	H	I

ASSIGNMENT SHEET 2

1. f
2. c
3. b
4. a
5. g
6. d
7. e

ASSIGNMENT SHEET 3


1 MEDIATOR
2 INDUSTRIAL
3 ARBITRATE
4 CRAFT
5 CLOSED
6 UNION
7 EMPLOYEE
8 STRIKE
9 LABOR
10 INJUNCTION
11 EMPLOYER
12 PICKET
13 OPEN
14 LOCKOUT

WRITTEN TEST

JOINING LABOR UNIONS

IX

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with labor unions to their correct definitions. Write the correct letters in the blanks.

______1. A third party who has no power except to organize meetings of labor and management and help them come to agreeable terms

______2. Employees may choose whether or not to join a union

______3. An organization made up of workers in a certain trade or occupation

______4. A person stationed by a labor organization outside a place affected by a strike

______5. Employees are prevented from working by closing a factory or shop

______6. A third party who has the authority to set terms for both labor and management to follow

______7. Members of a union decide what they want and choose leaders (negotiators) to speak for them in settling their dispute with the employer

______8. An organized group of workers

______9. Workers strike which is not authorized by union

a. Strike
b. Wildcat strike
c. Picket
d. Negotiators
e. Employee
f. Industrial Revolution
g. Lockout
h. Union shop
i. Mediator
j. Injunction
k. Child labor
l. Welfare workers
m. Haymaker Strike
n. Collective bargaining
o. Closed shop
p. Arbitrator
q. Strike breaker

_____10. The employee need not be a union member when hired, but must join after employed

_____11. Workers stop work to force demands

_____12. Those selected by union and management to talk over a disputed issue

_____13. Person hired to replace a striking member

_____14. An attempt to put pressure on an employer or industry by refusing to buy, handle or use its products

_____15. Employer must hire only union workers

_____16. Unions ask other workers to buy only those products made by fellow union members

_____17. One who is hired and paid by another to do a specific job

_____18. An organization of working people who band together to obtain higher wages, better working conditions, and protection of rights and interests

_____19. A court order requiring the party to take or refrain from taking some specified action

_____20. One who hires others to work for him

_____21. An organization made up of workers both skilled and unskilled in one or more industries

r. Union

s. Trade union

t. Union label

u. Employer

v. Boycott

w. Open shop

x. Cottage industries

y. Labor union

z. Industrial union

OBJECTIVE 2

Select from the following list true statements about the conditions leading up to the organization of labor unions. Write an "X" in the blank before each correct answer.

______1. Pay was $1.50 per week.

______2. Workers became mere tools.

______3. Children were sent to preschool so both parents could work.

______4. The Industrial Revolution brought assembly lines, standardization of products and huge profits for employers.

______5. Workers had no pensions, no unemployment insurance, no welfare and no child labor laws.

______6. Workers were highly valued and were allowed to attend management meetings.

______7. Women and children were paid less than men for performing the same job.

______8. Large families were on welfare.

______9. Children started working at age six to help support their families.

_____10. The Revolutionary War brought freedom from poor factory conditions.

_____11. Because most parents had gone to college, their children were encouraged to attend, too.

_____12. Jobs were scarce.

_____13. Factories were poorly lighted, badly ventilated and provided no safeguards for workers.

_____14. Because of the many jobs available, workers were able to select jobs to suit their skills.

_____15. Large families had many mouths to feed.

_____16. Many parents were uneducated with no hope of advancement.

OBJECTIVE 3

Arrange in order major events in labor union history. Place a "1" before the first event a "2" before the second event and so on.

______ "Grange" formed to protect farmers

______ Auto workers united

______ Industrial Workers of the World ("Wobblies") practiced violence and terrorism

______ AFL and CIO merged

______ Knights of Labor formed

______ American Federation of Labor took place of Knights of Labor

______ Congress of Industrial Organizations formed for unskilled laborers

OBJECTIVE 4

Arrange in order the steps in a grievance procedure. Place a "1" before the first step, a "2" before the second step and so on.

______ Shop steward/ess and employee talk to supervisor

______ If problem is not settled, shop steward/ess goes to management, chief plan steward/ess, or grievance committee

______ Next to higher union and company officials

______ Government mediator or an arbitrator may help settle the dispute

______ National union agent may negotiate with grievance committee

______ Shop steward/ess talks to shop supervisor

______ Next step is to higher authority, such as personnel manager

______ Complaints are reported to shop steward/ess

OBJECTIVE 5 **Discuss the disadvantages of labor unions.**

____

____

____

____

____

____

____

____

____

____

OBJECTIVE 6 **List the advantages of being a labor union member.**

____

____

____

____

____

____

____

____

____

____

NOTICE — The following assignment sheets are not part of the written test. If these activities have not been completed, check with the instructor.

OBJECTIVE 7 — **Complete a timeline of the history of labor unions.** SCORE ______

OBJECTIVE 8 — **Match speaker to correct statement.** SCORE ______

OBJECTIVE 9 — **Complete the crossword puzzle containing terms pertaining to labor unions.** SCORE ______

WRITTEN TEST ANSWERS

JOINING LABOR UNIONS

IX

OBJECTIVE 1

1. i
2. w
3. s
4. c
5. g
6. p
7. n
8. r
9. b
10. h
11. a
12. d
13. q
14. v
15. o
16. t
17. e
18. y
19. j
20. u
21. z

OBJECTIVE 2

1, 2, 4, 5, 7, 9, 12, 13, 15, 16

OBJECTIVE 3

1, 5, 4, 7, 2, 3, 6

OBJECTIVE 4

3, 4, 7, 8, 6, 2, 5, 1

OBJECTIVE 5

Answer should include any of the following:

- Some demands of unions may interfere with company policy decisions.
- Higher wage demands may increase the cost to the point that the company goes out of business.
- Impersonal relationships between employee and employer are more apt to occur in a firm where only union members work.
- Unions have problems of internal control.
- Dues for union workers may be exorbitant.

OBJECTIVE 6

Answer should include:

- Assists in job security
- Helps in setting income
- Benefits which exceed non-member jobs
- Training
- Election of leaders
- Outlet for sharing and resolving work-related problems

OBJECTIVE 7 THROUGH 9

Refer to answers to Assignment Sheets 1 through 3.

OBJECTIVE SHEET

MANAGING STRESS

X

INTRODUCTION

In today's hectic, fast-paced world, nerves become tense, tempers are short, and it seems there is never enough time to accomplish daily tasks. Rush here. Rush there. Tension mounts. Stomach muscles tighten. A splitting headache dulls the senses. Stress has claimed another victim.

Stress results from changes in life. Changes may be negative or positive, including such things as arguing with parents or a spouse, relocating in another town, or starting a new job.

The way a person handles stress can affect health and happiness. If it is allowed to build up, stress can produce tension serious enough to interfere with normal daily activities. Many visits to doctors are the direct result of illnesses relating to stress.

Coping with stress is a skill that needs to be learned and practiced so that a person can successfully pursue long-term goals.

UNIT OBJECTIVE

After completing this unit, the student should be able to distinguish between positive and negative stress, know how to manage stress and identify signs of stress. The student will demonstrate these competencies by completing an assignment sheet and written test with a minimum of 85 percent accuracy.

PREREQUISITE

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with stress management to their correct definitions.
2. Distinguish between positive and negative stress.
3. Complete statements about physical reactions to stress.
4. List causes of stress.
5. Distinguish between types of personalities.
6. Select from a list time management skills.
7. Evaluate physical stress management skills.

8. List positive and negative ways of coping with stress.
9. Select from a list statements about using assertiveness in managing stress.
10. List signs of crisis which indicate a need for outside assistance.
11. List sources for outside help in a crisis.
12. Evaluate a stressful situation. (Assignment Sheet 1)

SUGGESTED ACTIVITIES

MANAGING STRESS

X

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss stress management.

  EXAMPLES:

  - A physician to speak on the subject of the physical changes that take place in the human body when under stress
  - A counselor to speak on the effects of stress on decision-making and problem solving
  - A personnel director to talk about the effects of stress on employee work quality and job satisfaction

    NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Collect magazine and newspaper articles that illustrate stressful situations.

- Arrange for audiovisual equipment needed for the unit.

Objective 1

- Discuss the terms and their meanings.

- Discuss unit and specific objectives. Emphasize the importance of being able to understand stress as part of everyone's life. Being able to cope with and manage stress is very important at work and in relationships. The more skilled a person is at dealing with stress, the more satisfied he or she will be at work, in family relationships, and in other situations of life.

- Distribute and discuss "Biodots."

  NOTE: BIODOTS are small circles of microencapsulated cholesteric liquid crystals of a broad thermal range and are used as a general indicator of skin temperature variance which can be used to get a general idea of a person's stress level.

  Biodots can be ordered from:

  BIODOT International, Inc.
  P.O. Box 29099
  Indianapolis, IN 46229
  (317) 637-5776

Objective 2

- Relate situations that students have had in coping with stress on the job, in their personal relationships with other people and with employers.

- Show Transparency Master 1, "Optimum Levels of Stress."

- Discuss distress and eustress. Explain that boredom happens when a person is not challenged. On the other hand, if a person is continually challenged in stressful situations, he or she may eventually burn out because of stress overload. The person needs to have time to relax, unwind and renew the body and mind.

Objective 3

- Use Handout 1, "The Body's Reaction to Stress."

- Use Handout 2, "How Our Perceptions Cause Stress."

- Invite a physician to explain the effects of stress on the human body.

- Explain that stress is not "out there," but is an internal physiological reaction to external stimuli. The implication of this is that we can control how we react to an external stimulus. We are not helpless victims of our increasingly stress-filled environment.

- The stress response is like running a computer program. The data that is put into a computer is meaningless without a program to tell the computer what to do with it, just as we can't behave without a brain to tell us what to do.

- Our perception of the stimuli comes from our belief system, which is our computer program that tells us how to react to the stressor. The more negative or irrational our belief system, the stronger our negative reaction to the stressor.

- Have students read and answer Supplement 1, "Burnout."

Objective 4

- Reinforce the concept that stress is caused by a person's perception of events and activities around them and not by the actual situation or event itself.

- Have students role-play stressful situations.

- Have students make a list of their most stressful situations. They should not include their name. Have the class discuss different ways to cope with the problems.

- Have students do Assignment Sheet 1.

- Use Supplement 2, "Irrational Beliefs Leading to Stress."

- Assign students to do Activity Sheet 1, "Physical Stress Management Skills."

- Have students do Activity Sheet 2, "Stress Producing Changes."

- Have students do Activity Sheet 3, "Sources of Stress."

Objective 5

- Have students answer questions on "Type A" and "Type B" personalities.

- Discuss stress related illnesses.

- Have students share their feelings about the "Type A" assessment.

- Discuss how "Type B" personalities may also have stress related problems.

  EXAMPLES: If a "Type A" and "Type B" marry or work together

- Use Handout 3, "Managing 'Type A' Behavior."

Objective 6

- Discuss with students the concept that time is very much like money. We only have a certain amount to spend. We are constantly making choices about the way we spend our time.

- Have students keep a log of how their time is spent for one day. Discuss what they find about their management of time.

- Hand out *The Time-Stress Connection*, Fact Sheet T4312.

Objective 7

- Point out the importance of physical fitness. Physical health affects a person's performance on the job, at school, and in recreational activities.

- Have students list one day's worth of food consumption.

- Use Handout 4, "Why Laughing is Good For You," for information on how laughter is good for a person's health.

Objective 8

- Emphasize that dealing with stress may be detrimental to the person or may build up his or her confidence.

- Discuss how drugs, alcohol, or tobacco are negative ways of dealing with stress.

- Show the following videos:

  — *Self-Esteem: Self-Talk.* This video includes the definition, origin, examples, and effects of self-talk and its effect on self-esteem.

  — *The Power of Choice: Coping with Pressures.* This video includes students' pressures of academic competition, peer acceptance, and parental expectations.

  — *The Power of Choice: Drugs and Alcohol, Part I.* In this video, students talk openly about the choices (good or bad) they have made with alcohol and drug use.

  — *The Power of Choice: Drugs and Alcohol, Part II.* This video examines how chemical abuse damages relationships. It is a useful and enlightening look at what to do when someone you care about is hooked.

- Hand out and discuss Fact Sheet TC-107, *Controlling Stress.*

- Hand out and discuss Fact Sheet T 2110, *Skills for Stress Management.*

- Discuss Supplement 3, "Proven Stress Reducers."

Objective 9

- Discuss with the students how important it is to express to others true feelings and desires. The "saving up" of negative feelings can cause much destruction both physically and emotionally.

- Discuss the importance of being able to say "no." If a person does not say "no," he or she will find that too many things are being expected and there is not enough time to do them.

- Use Handout 5, "Assertiveness Self-Evaluation," and discuss second page of Handout 5, "A Comparison of Alternative Behavior Styles."

Objectives 10 and 11

- Have a staff person from a Domestic Violence Center speak to the class about abuse—physical, emotional, or sexual.

- Have students find out about local or regional options for intervention. Have them each research a different agency and report back to the class about facts such as location, cost, training of the people on staff, and who would best be helped by the agency.
- Hand out and discuss Fact Sheet TC108, *Where to Go for Help*.

APPLICATION

Objective 12

- If not assigned earlier, have students complete Assignment Sheet 1.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.
- Give written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activity if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Audiovisual

- *Self-Esteem: Self-Talk*
- *The Power of Choice: Coping with Pressures*
- *The Power of Choice: Drugs and Alcohol, Part I*
- *The Power of Choice: Drugs and Alcohol, Part II*

  NOTE: These videos are available to Oklahoma teachers on a free-loan basis. Teachers may order the videos from the Media Resource Center, Oklahoma Department of Vocational and Technical Education, 1500 West Seventh Avenue, Stillwater, Oklahoma 74074.

- Software that addresses stress management and filmstrips with cassettes that portray stressful situations are available from the following companies:

  Sunburst Communications
  101 Castleton Street
  Pleasantville, NY 10570-9971

  DRW Educational Systems
  P.O. Box 2941
  Costa Mesa, CA

  Cambridge Video
  One Players Club Drive, Dept. CV16
  Charleston, WV 25311

  The Rosens Publishing Company, Inc.
  27 East 21st Street
  New York, NY 10010

  Career Aids
  20417 Nordhoff Street, Dept. F4
  Chatsworth, CA 91311

Publications

- Fox, Karen. *Taking Charge in Changing Times: Controlling Stress*. Home Economics Fact Sheet No. TC-107. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1990.

- Fox, Karen. *Taking Charge in Changing Times: Where to Go for Help*. Home Economics Fact Sheet No. TC108. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1990.

- Matthews, Wayne. *The Time-Stress Connection*. Home Economics Fact Sheet No. T4312. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1990.

- Matthews, Wayne. *Skills for Stress Management*. Home Economics Fact Sheet No. T2110. Stillwater, Oklahoma: Oklahoma State University Cooperative Extension Service, 1990.

NOTE: Home Economics Facts Sheets and publication cost information may be obtained from the Oklahoma State University Cooperative Extension Center in each county or may be ordered directly from Central Mailing Services, Oklahoma State University, Stillwater, Oklahoma 74078-0550, phone 405-744-5385.

- *The New Stillwater 1991 Telephone Directory*. Oklahoma City, Oklahoma: Superior Telephone Directories, 1991.

- Stoop, David. *Self Talk: Key to Personal Growth*, Fleming H. Revell Co., Old Tappan, New Jersey, 1982.

NOTE: This publication does have religious overtones, scripture references and mention of a higher being. It is not necessary to use the publication with this unit.

UNIT REFERENCES

- Albrecht, Karl. *Stress and the Manager: Making It Work for You*. New York: Simon and Shuster, Inc., 1986.

- Benson, Herbert and Miriam Z. Klipper. *Relaxation Response*. New York: Avon Books, 1976.

- Bernstein, Douglas A. and Thomas D. Borkovec. *Progressive Relaxation Training: A Manual for the Helping Professions*. Champaign, Illinois: Research Press, 1973.

- Bliss, Edwin. *Getting Things Done*. New York: Bantam Books, Inc., 1978.

- Cooper, Kenneth H. and Mildred Cooper. *New Aerobics for Women.* New York: Bantam Books, 1988.

- Cooper, Kenneth H. *New Aerobics.* New York: Bantam Books, 1983.

- Diamond, John. *Your Body Doesn't Lie.* New York: Warner Books, Inc., 1980.

- Dychtwald, Ken. *Bodymind.* Los Angeles, California: J. P. Tarcher, Inc., 1986.

- Dyer, Wayne W. *Your Erroneous Zones.* New York: Avon, 1977.

- Friedman, Meyer and Ray H. Rosenman. *Type A Behavior and Your Heart.* New York: Fawcett Books, 1974.

- Henderson, John. *Run Gently, Run Long.* Mountain View, California, Anderson World, Inc., 1978.

- Jakubowski, Patricia and Arthur J. Lange. *Assertive Option: Your Rights and Responsibilities.* Champaign, Illinois: Research Press, 1978.

- Kimbrell, Grady and Ben S. Vineyard. *Succeeding In the World of Work.* Glendale, California: Glencoe Publishing Company, 1981.

- Kostrubala, Thaddeus. *Joy of Running.* New York: Pocket Books, Inc., 1986.

- Kubler-Ross, Elizabeth. *On Death and Dying.* New York: Macmillin Publishing Company, 1970.

- Lakein, Alan. *How to Get Control of Your Time and Your Life.* New York: New American Library, 1989.

- Lazarus, Arnold and Allen Fay. *I Can If I Want To.* New York: Warner Books, 1977.

- Mackenzie, Alec. *Time Trap.* New York: McGraw-Hill Publishing Company, 1975.

- Mason, John, ed. *Guide to Stress Reduction.* Berkely, California: Celestial Arts Publishing Company, 1986.

- Masters, Robert and Jean Houston. *Listening to the Body*. Santa Clara, California: Dell Publishing Co., Inc., 1979.
- McQuade, Walter and Ann Aikman. *Stress*. New York: Bantam Books, Inc., 1975.
- Mishra, Rammurti S. *Fundamentals of Yoga: A Handbook of Theory, Practice and Application*. New York: Crown Publishing Company, 1987.
- Samuels, Mike and Nancy Samuels. *Seeing With the Mind's Eye*. New York: Random House, Inc., 1975.
- Selye, Hans. *Stress of Life*. New York: McGraw-Hill Publishing Co., 1978.
- Sharp, Richard. *Thrive on Stress: How to Make It Work For You*. New York: Warner Books, Inc., 1978.
- Sheehan, George A. *Running and Being: The Total Experience*. New York: Warner Books, Inc., 1978.
- Smith, Manuel J. *When I Say No, I Feel Guilty*. New York: Bantam Books, Inc., 1985.
- Toffler, Alvin. *Future Shock*. New York: Random House, Inc., 1970.
- Travis, John W., and Regina S. Ryan. *Wellness Workbook*. Berkeley, California: Ten Speed Publisher, 1988.
- Veninga, Robert L. and James P. Spradley. *Work-Stress Connection: How to Cope with Job Burnout*. New York: Ballantine Books, 1982.
- Walker, Eugene. *Learn to Relax: Thirteen Ways to Reduce Tension*. Englewood Cliffs, New Jersey: Prentice Hall, 1975.
- Webber, Ross A. *Time and Management*. Nutley, New Jersey: Moffat Publishing Company, 1987.
- Woolfolk, Robert I. and Frank C. Richardson. *Stress, Sanity and Survival*. New York: New American Library, 1979.

PRETEST ANSWERS

MANAGING STRESS

OBJECTIVE 1

1. i
2. k
3. l
4. g
5. m
6. a
7. n
8. b
9. f
10. c

OBJECTIVE 2

1. Winning a beauty pageant, getting hired for a new job, getting married, getting a job promotion or any other response that the instructor feels is an example of positive stress

2. Death of a loved one, divorce, losing one's job, money problems, illness, injury, or other responses that the instructor feels is a negative stressor

OBJECTIVE 3

1. a
2. b
3. d
4. b
5. a

OBJECTIVE 4

Answer should include five of the following:

Adjusting to new community, school or job
Being in poor shape physically
Daily annoyances such as traffic or lost keys
"Empty nest" syndrome when adult children leave home
Family problems
Poor eating habits
Financial problems
Holidays
Inability to get along with others
Inability to reach personal goals
Injury
Job related problems with boss, co-workers or supervisor
Legal problems
Loss of a loved one
Major changes in lifestyle such as a new baby or retirement
Meeting new challenges
Poor eating habits
Pregnancy
Sexual difficulties
Too many things to do and not enough time
Response may include other examples of stress which the instructor wants to accept.

OBJECTIVE 5

1. A
2. B
3. A
4. A
5. B
6. A
7. A
8. B
9. B
10. A
11. B
12. B

OBJECTIVE 6

1, 2, 4, 5

OBJECTIVE 7

1. a
2. b.
3. a
4. a
5. a
6. a

OBJECTIVE 8

Answers should include three negative behaviors and three positive behaviors.

Negative Behaviors:

- Abuse of drugs, tranquilizers or alcohol
- Overeating, undereating or eating non-nutritious foods
- Smoking
- Drinking high caffeine liquids
- Withdrawing psychologically — Escapism
- Withdrawing physically — isolation, absenteeism, suicide
- Abuse of others verbally, emotionally, physically or sexually

Positive behaviors:

- Building up resilience toward stress through proper diet, exercise, deep breathing, relaxation; striving for good health or "wellness"
- Nurturing and using the healthy relationships in a person's life, therefore having a strong support system of friends, co-workers and family members
- Practicing good time management habits, with a healthy balance of time spent relaxing and working
- Acting assertively to change stressful situations
- Using healthy "diversions," like listening to music, taking walks and going on short trips
- Taking control over the stressor by changing perception of it
- After all means have been tried and the stressor is still taking hold of a person's life, it may be necessary to leave the stressful situation and seek healthier opportunities

OBJECTIVE 9

1, 2, 5

OBJECTIVE 10

Answers should include 5 of the following:

- Abuse of children, spouse or others physically, emotionally, verbally or sexually

CAUTION

Abuse should *never* be tolerated.

- High anxiety level for a prolonged time
- Anxiety attacks with high pulse rate and difficulty breathing
- Change in appetite
- Chronic fatigue
- Considering suicide

CAUTION

Suicide threats should always be taken seriously.

- Constant crying
- Decreased social activity
- Depression
- Difficulty sleeping or sleeping too much
- Dizziness
- Drug abuse
- Excessive drinking of alcohol
- Feelings of hopelessness
- Feelings of not being able to cope
- Getting angry over little things
- Inability to relax
- Excessive irritability
- Lack of interest in food, sex or life in general
- Physical complaints such as chronic headaches or stomachaches
- Trouble concentrating on one thing at a time
- Unreasonable fears

OBJECTIVE 11

Answers should include the following:

- AIDS Hotline
- Alcohol Abuse Hotline
- Cocaine Abuse Hotline

- Drug Abuse Hotline
- Run-Away Hotline
- Child Find of America, Inc.
- Child or Adult Abuse Hotline
- Youth Crisis and Runaway Hotline

Responses may include other answers which the instructor accepts as sources of outside help.

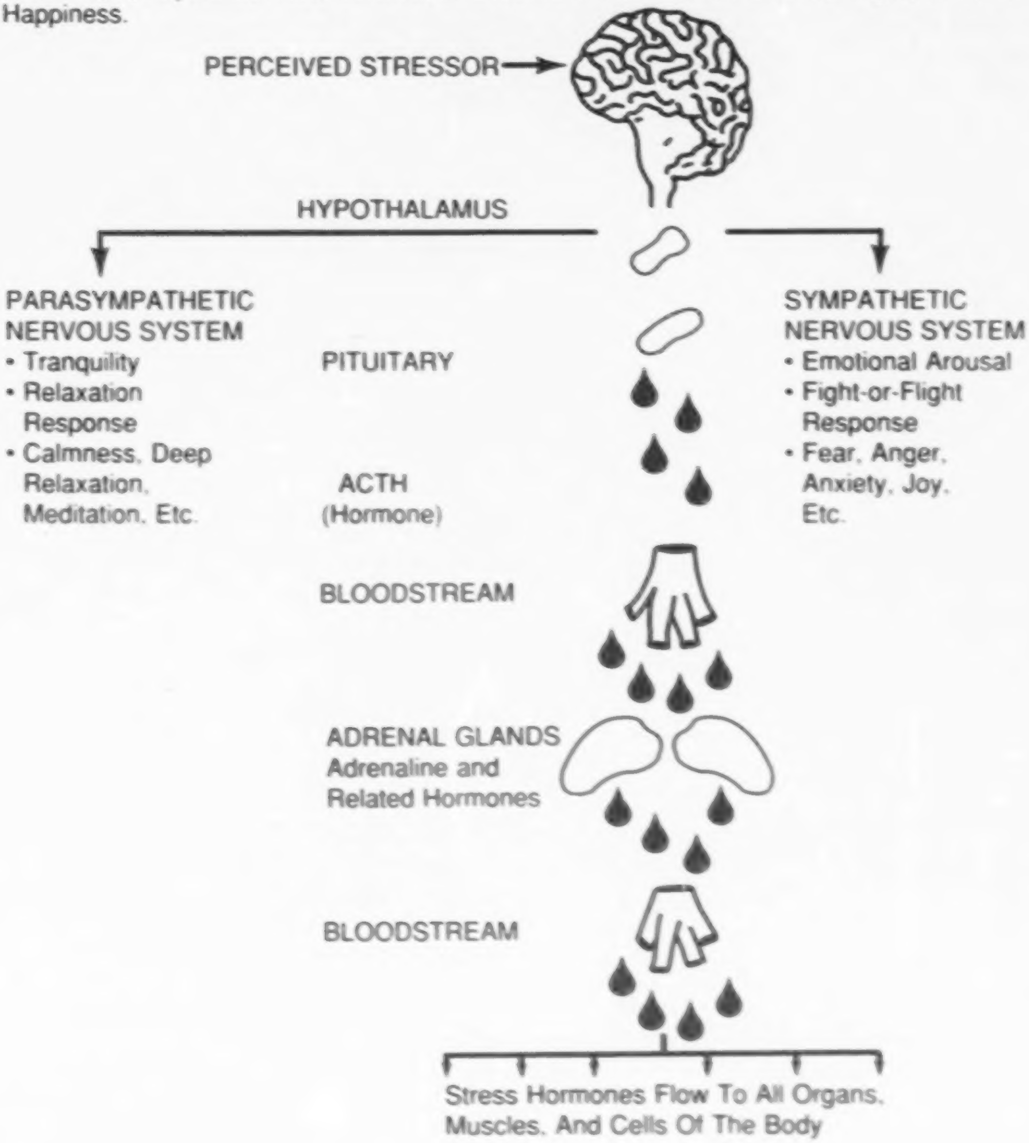
OBJECTIVE 12 Refer to answers to Assignment Sheet 1.

HANDOUT 1

MANAGING STRESS

THE BODY'S REACTION TO STRESS

Stress is the Body's INTERNAL Physical Response To An External Stimulus (STRESSOR), And Is The Same General Response If The Stressor is PHYSICAL, Such As An Injury, Bacteria, Heat, Or Cold, or EMOTIONAL, Such As Sorrow, Anger, Or Even Happiness.


PERCEIVED STRESSOR
HYPOTHALAMUS
PITUITARY
ACTH
(Hormone)
BLOODSTREAM
ADRENAL GLANDS
Adrenaline and
Related Hormones
BLOODSTREAM

PARASYMPATHETIC NERVOUS SYSTEM
- Tranquility
- Relaxation Response
- Calmness, Deep Relaxation, Meditation, Etc.

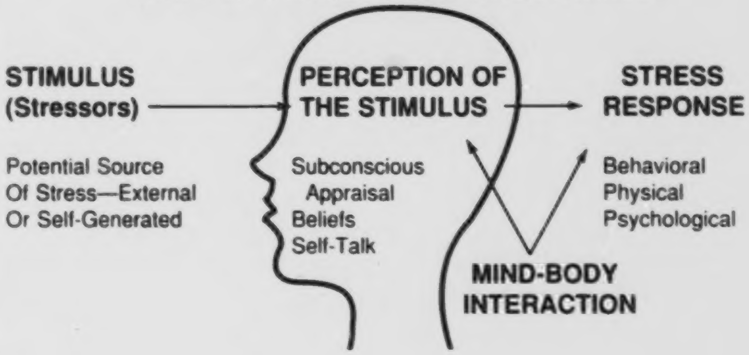
SYMPATHETIC NERVOUS SYSTEM
- Emotional Arousal
- Fight-or-Flight Response
- Fear, Anger, Anxiety, Joy, Etc.

Stress Hormones Flow To All Organs, Muscles, And Cells Of The Body

HOW OUR PERCEPTIONS CAUSE STRESS

It is not the external events themselves that cause us to mobilize the physical stress response. IT IS OUR PERCEPTION OF THOSE EVENTS THAT PRODUCES THE RESPONSE. The following diagram illustrates this process.

HOW OUR PERCEPTIONS CAUSE STRESS


STIMULUS (Stressors)
Potential Source Of Stress—External Or Self-Generated
PERCEPTION OF THE STIMULUS
Subconscious Appraisal
Beliefs
Self-Talk
STRESS RESPONSE
Behavioral
Physical
Psychological
MIND-BODY INTERACTION

The great physiological dilemma of stress is that we often mobilize our bodies physically for the "fight or flight" response, but we don't actually attack or run away, so all the energy generated is not physically used up, which results in a continual feeing of stress.

Dr. Hans Selye, who was the first to define stress as a physical response to an outside stressor, believes we have only a limited amount of "adaptive energy supply." If we keep ourselves stressed over a long period of time, the outward symptoms of stress may disappear, but the body eventually runs out of its adaptive energy and body systems begin to break down.

Always remember: OUR BODY DOESN'T KNOW THE DIFFERENCE BETWEEN OUR THOUGHTS ABOUT A STRESSFUL SITUATION AND OUR ACTUALLY BEING IN THAT SITUATION!

So what we think about a stressor or perceive about a situation causes our body to have the same physiological response as if we were actually experiencing it. It might not be quite as strong a reaction, but our body cannot tell the difference.

NEGATIVE SELF-TALK

The Stress Reaction Is Triggered NOT BY The Stressors Themselves, But By Our PERCEPTION Or BELIEFS About Them.

External or Anticipated Event	Negative Self-Talk	Feelings of Stress
Being Turned Down	I'm Not O.K.	Anxiety
Risky Situation	I Should, Shouldn't	Guilt
Making A Mistake	I Can't Stand It	Hostility
Being Treated Badly Or Unfairly	You're Not O.K.	Helplessness
	You Should, You Shouldn't	Despair
People Not Doing What You Want	The World Should, Shouldn't	
Events Not Going The Way You Would Like	It's Awful, Terrible, Catastrophic	
	Things Shouldn't Be This Way	

MANAGING STRESS

MANAGING "TYPE A" BEHAVIOR

Personalities can be separated into two groups, "Type A" and "Type B." "Type A" personalities are under a great deal of stress because of their way of dealing with life. They live in a hurried, competitive, ambitious way. Because of this lifestyle, their bodies are under constant stress. Understand that "Type A" behaviors are continuous and that usually a person has no choice in the matter. However, there are ways to consciously decrease stress and its destructive nature. The following are some of these ways:

- Establish *life* as well as *career* goals.
- Focus on things worth *being* as well as things worth *having*.
- Don't give others the power to upset you — you can control your reactions.
- Listen to classical or other soothing music.
- Routinely practice relaxation techniques.
- Set the cruise control on the automobile to the legal speed limit.
- Eat slowly.
- Create diversions — something unrelated to the work environment such as a walk.

NOTE: The more a person becomes aware of his or her own personality, the easier it is to respond to stressful situations which are confronted each day.

WHY LAUGHING IS GOOD FOR YOU

by Robert Brody

Health & Fitness News

Can the sick laugh away physical ailments? Doctors studying humor as therapy say they can.

The very act of laughing is actually good exercise. In an average laugh, the diaphragm, thorax, abdomen, heart, lungs and possibly even the liver get a brief workout. Laughing can clear foreign matter from the respiratory system and speed up circulation and heart rate. If the laugh is especially vigorous — a fall-on-the-floor special — it flexes muscles in the face, arms, and legs. Humor also relieves boredom, tension, guilt, depression, headaches and backaches.

A recently developed hypothesis is that laughter stimulates the brain to produce hormones called catecholamines, such as epinephrine, norepinephrine and dopamine. Those hormones may then trigger the release of endorphins, natural opiates that can reduce pain or discomfort from arthritis, for example, or chronic allergies.

Without laughter, people would get sick more often and more severely, according to Dr. William Fry, of the psychiatry department of Stanford University Medical School. "Humor stirs the insides and gets the endocrine system going," he says, "which can be quite beneficial in alleviating disease."

An advocate of the laugh-yourself-to-health approach is Saturday Review editor Norman Cousins. In 1964 Cousins was diagnosed as suffering from a crippling spinal disease that gave him a 1-in-500 chance for survival. Acting against medical orthodoxy, he booked a hotel room and methodically read humorous books and watched funny movies. Regular belly laughter, he found, worked as an anesthetic that ensured him painless sleep for two hours at a time. Within a few years, he had recovered completely.

The Cousins case inspired hospitals to try out similar techniques on seemingly hopeless patients. One 12-year-old girl hospitalized as a catatonic schizophrenic suddenly bounced back to life after a visit from a clown. "She started to say his name over and over and eventually made a remarkable recovery," recalls Dr. Raymond A. Moody of the University of Virginia, author of *Laugh After Laugh: The Healing Powers of Humor.* "Laughter is a good natural tranquilizer," he says. In another experiment, a tumor went into remission after a cancer patient was exposed systematically to doses of humor.

Some U.S. institutions have started to make use of the humor-health connection. A Missouri state prison rehabilitates inmates with a laugh-a-day program. A Veterans Administration hospital in Los Angeles prescribes that discharged patients laugh 15 minutes a day. In several retirement homes in California, elderly residents take regular humor "medicine" — funny books, poems, cartoons, movies and performances by stand-up comedians.

"You know," one grateful resident said to Dr. Fry, "if it weren't for humor, I wouldn't be here today."

Distributed by Los Angeles Times Syndicate

ASSERTIVENESS SELF-EVALUATION

Being assertive helps us avoid stress. How assertive are you?

How often do you:	Usually	Sometimes	Rarely
1. Refuse to do something you don't want to do.			
2. Tell others their behavior is bothering you.			
3. Initiate a change in something you don't like.			
4. Freely express these emotions:			
Affection/love			
Happiness			
Disappointment			
Frustration			
5. Ask for help when you need it.			
6. Ask for clarification when you are confused.			
7. Tell others what you want.			
8. Let someone know they have made a mistake.			
9. Admit your mistakes and apologize when you are at fault.			
10. Make a decision that you know someone close to you or important won't like.			

If you answered "Usually" to half or more of these situations, you are probably assertive enough to keep from being stressed out. If you didn't, your lack of assertiveness is likely causing you considerable stress.

Study "A Comparison of Alternative Behavior Styles." Note that the bottom row distinguishes the effects of each of these behaviors. "Passive" and "Indirect" behaviors result in our own feelings of stress, while "Aggressive" behavior results in stress in our relationships.

A COMPARISON OF ALTERNATIVE BEHAVIOR STYLES
(Continued)

	PASSIVE (doormat)	AGGRESSIVE (steamroller)	INDIRECT (manipulator)	ASSERTIVE (leveler)
Definition	Does not express own rights, needs, feelings or opinions. Allows others to infringe upon rights.	Expresses own rights, needs, feelings, and opinions at the expense of others.	Tries to stand up for own rights, expresses feelings, opinions and needs by hinting or trying to cause guilt.	Stands up for own rights, expresses needs, feelings and opinions, while also respecting others.
Characteristics of the Behavior	Submissive, avoiding, placating, self-denying	Intimidating, demanding, blaming, judging, scolding	Subtle, uses questions as statements, hidden-bargains, uses non-verbal hints	Appropriately honest, direct, confident, can be flexible and empathic or persistent and firm when appropriate.
Underlying Belief System	I shouldn't displease others or make them uncomfortable. My self-esteem depends on other's approval and liking.	Others should be and do what I think is best. I'm right. I don't care how they feel as long as they go along with me.	I can't trust others to cooperate if it's my idea, so I'll try to make them think it is theirs.	I can respect and like others without necessarily liking their behavior or agreeing with them. I can risk momentary discomfort for the long-term gain of a more honest relationship.
Problem Solving	Others choose for me. You win, I lose. "Anything to keep the peace."	Chooses for others. I win you lose. Attacks personalities.	Tries to choose for others without them knowing it. I win if I can make you think you win or make you feel guilty enough.	Chooses for self, influences others. I win and you win through negotiation and problem solving. Deals with issues and behavior.
Power Position	Gives away power by being dependent on others. Is afraid of positional power.	Relies primarily on positional power, tries to control by fear.	May use personal power on surface with implied use of positional power.	Uses personal power when appropriate, with backup of positional power when necessary.
You Feel:	Anxious, ignored, helpless, frustrated, manipulated	Superior, righteous, controlling; possibly guilty later	Sneaky, uncertain, possibly revengeful if hints are ignored	Confident, goal-oriented, valued, in control of self
Others Feel:	Superior or guilty, unsure of you, possibly lack of respect for you	Defensive, humiliated, demeaned, angry, distrustful, resentful	Confused, guilty, resentful if they think they have been "conned."	Respectful, trusting, clear about where you stand.
Payoff	Avoid risk, conflict, confrontation. May be considered "nice guy," gets protected.	Avoids hassles and questions, seen as "tough."	May not have to take risks if others are willing to read hints or feel guilty.	Maximizes chances for influence and effectiveness, feels better about self.
Outcome	Probably does not achieve goals; gets taken advantage of. Accumulated frustration can lead to mental or physical illness.	Probably achieves goals at the expense of relationships; often causes malicious compliance and sabotage.	Possibly achieves goals if skillful or likeable; plays a lot of games.	Probably achieves goals while maintaining positive relationships; promotes cooperation and problem solving.

PRETEST

MANAGING STRESS

X

NAME ______________________ SCORE ______

OBJECTIVE 1

Match terms associated with stress management to their correct definitions. Write the correct letters in the blanks.

______1. Physical or mental tension in an individual

______2. Negative stress

______3. Positive stress

______4. To arouse a sense of danger

______5. Body's response to alarm

______6. Any factor that causes stress

______7. Ability to withstand the effects of a stressor

______8. Tired to the point of having no more energy

______9. A mental image

_____10. The body expends more energy than it can recharge

a. Stressor

b. Exhaustion

c. Burnout

d. Anger

e. Abuse

f. Perception

g. Alarm

h. Happiness

i. Stress

j. Time management

k. Distress

l. Eustress

m. Fight or flight

n. Resistance

OBJECTIVE 2

Distinguish between positive and negative stress.

1. Give 2 examples of positive stress.

a. ______________________

b. ______________________

2. Give 2 examples of negative stress.

a. ______________________________

b. ______________________________

OBJECTIVE 3

Complete statements about physical reactions to stress. Write the correct letters in the blanks.

______1. When your body takes time to repair itself and re-energize, it is called

- a. Resistance stage
- b. Exhaustion stage
- c. Alarm stage
- d. Reaction stage

______2. When the sympathetic nervous system releases the hormone Acth into the bloodstream it is called

- a. Panic response
- b. Fight or flight response
- c. Relaxation response
- d. Sleep response

______3. Alarm stage referred to in stress management is

- a. The clock that wakes us up in the morning
- b. Widening the eyes in surprise
- c. The fire warning bell at school
- d. Your body's preparation for fight or flight

______4. External events cause us to mobilize the physical stress response.

- a. True
- b. False

______5. When our mind perceives a situation, our body reacts as if the situation is real.

- a. True
- b. False

OBJECTIVE 4 **List five causes of stress.**

1. ______________________________
2. ______________________________
3. ______________________________
4. ______________________________
5. ______________________________

OBJECTIVE 5 **Distinguish between types of personalities.** Place an "A" before characteristics which are associated with "Type A" personalities and a "B" before characteristics of "Type B" personalities.

______1. Competitive

______2. Easy going

______3. Does more than one thing at a time

______4. Impatient

______5. Moderate work and speech pace

______6. Chronic sense of urgency

______7. Restless

______8. Relaxed

______9. Seldom impatient

_____10. Achievement oriented

_____11. Enjoys avocational pursuits or recreation

_____12. Less prone to anger

OBJECTIVE 6

Select from a list time management skills. Write an "X" in the blank before each correct answer.

______1. A person who manages time well probably experiences a less stressful life.

______2. A thorough evaluation of an individual's use of time is the first step toward better time management.

______3. Good time management guarantees a good income.

______4. Procrastination can bring with it bad attitudes and others questioning your dependability and reliability.

______5. Most people have a time of the day or week when they perform better.

OBJECTIVE 7

Evaluate physical stress management skills. Write the correct letters in the blanks.

______1. Individuals who exercise and are physically fit are better able to handle stress.

a. True
b. False

______2. It doesn't matter what you eat as long as you eat three meals a day.

a. True
b. False

______3. Good eating habits result in higher energy and better performance during the day.

a. True
b. False

______4. Your body needs a chance to slow down and relax so it can recharge itself and cope with additional problems.

a. True
b. False

______5. Relaxation comes when you rest your mind as well as your body.

a. True
b. False

______6. Physical stress management skills are based on living a healthy lifestyle.

a. True
b. False

OBJECTIVE 8

List three positive and three negative ways of coping with stress.

Positive:

____

____

____

Negative:

____

____

____

OBJECTIVE 9

Select from the following list statements about using assertiveness in managing stress. Write an "X" in the blank before each correct answer.

______1. It is important to make our desires known to others.

______2. One of the primary causes of stress is the "saving up" of negative feelings.

______3. We should always keep anger inside so that we won't upset anyone.

______4. Only selfish people act assertively.

______5. Even non-verbal behavior such as good posture can be assertive.

OBJECTIVE 10 **List five signs of crisis which indicate a need for outside assistance.**

OBJECTIVE 11 **List sources for outside help in a crisis.**

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objective.

OBJECTIVE 12 **Evaluate a stressful situation.** SCORE ______

INFORMATION SHEET

MANAGING STRESS

X

OBJECTIVE 1

Match terms associated with stress management to their correct definitions.

- **Alarm** — To arouse a sense of danger
- **Anxiety** — State of being uneasy, apprehensive or worried
- **Burnout** — The intellectual, physical or emotional exhaustion that occurs when a person has more energy going out than the body can recharge
- **Distress** — Negative stress that keeps a person emotionally and physically tense so they cannot relax after dealing with a situation
- **Eustress** — Positive stress that helps motivate, inspire and increase a person's concentration and task performance to meet a challenge, after which a person can relax
- **Exhaustion** — To tire extremely or completely so there is no more energy left to deal with situations or cope with problems
- **Fight or Flight** — The physical changes in the body that prepare a person for dealing with a stressful or alarming situation in which the body has to respond immediately
- **Perception** — The way an individual sees or understands a situation; a mental image
- **Resistance** — The body's ability to withstand the force or effect of a stressor or situation that causes a depletion of body energy
- **Stress** — The chemical, physical or emotional factor that causes physical or mental tension in an individual
- **Stressor** — Any factor that causes the body to release the hormone Acth to prepare the body for quick response

OBJECTIVE 2

Distinguish between positive and negative stress.

INTRODUCTION

Stress can be either positive or negative. Each of the following statements could represent stressful situations because each one causes a change in a person's life.

- Negative stress may cause a person to stay physically and mentally tense. When stress becomes a constant, ongoing cycle, health and well-being suffer. This kind of stress is referred to as "distress" because it can cause a person to feel miserable, worried, sad and ill. This occurs when there are sudden or disagreeable changes that occur in life such as the loss of a loved one through death, separation or divorce; losing one's job; being blamed for something that someone else did; money problems; or an illness or injury.

- Positive stress can provide motivation, drive, challenge and a sense of importance to an individual's life. By getting excited about an interesting task we do a more effective job. This positive stress is known as "eustress." Positive stress can provide the energy to concentrate, focus on a task and perform duties at peak performance. Once the task is finished and the challenge has been met, rest and relaxation are necessary to build up energy to meet the next challenge.

  EXAMPLES: Winning a scholarship, getting hired for a job or achieving an important goal

OBJECTIVE 3 **Complete statements about physical reactions to stress.**

INTRODUCTION

Stress is the uncomfortable condition we experience when the body has created excess energy with which to defend itself. It is the body's internal physical response to an external stimulus or stressor. It is the same general reaction if the stressor is physical, such as injury, bacteria, heat, cold, or emotional, such as sorrow, anger or even happiness.

Because the stress response mobilizes the body for "fight or flight," the sympathetic nervous system releases a hormone into the bloodstream, causing quickened pulse, dilated pupils, increased breathing, acute hearing, greater strength and a slowed digestive system. The two central branches of the nervous system work in opposition, alternately raising and lowering the body's excitation level.

- **Alarm** — Stage 1

  The body recognizes the stressor and prepares for "fight or flight." Hormones from endocrine glands are released. These hormones increase the pulse rate, respiration rate, blood sugar level, amount of perspiration, dilation of pupils and slow digestion. This is the time for a choice to "fight or flee."

- **Resistance** — Stage 2

  During the second stage the body repairs any damage caused by the stress. If, however, the stressor does not go away the body cannot repair the damage and must remain alert.

- **Exhaustion** — Stage 3

  If the body is unable to repair itself from stress, it is plunged into exhaustion. If the stress continues long enough, a person may develop any one of many stress-related illnesses.

OBJECTIVE 4

List causes of stress.

Mike's term paper was due in two days and he hadn't even begun writing it. Kathy's mother was scheduled for surgery in the morning. Pete had to face his boss after he broke an expensive piece of equipment. Charlene was going to appear on television at noon. Bob was paying the bills and didn't have enough money to pay all that he owed. Jan was packing her clothes for a weekend ski trip with her best friend. Mack was trying to get along with a very bossy co-worker on his job.

Stressful situations occur daily in all of our lives. As we get older and have to assume more responsibility, we encounter more stressful situations. Many individuals must work and manage a household at the same time. They must manage money, child care, transportation and school activities. Sometimes individuals get so involved in working or going to school day after day that they do not have time to relax and unwind. Ignoring the need for recovery from stress can have dangerous consequences both mentally and physically.

Some causes of stress are as follows:

- Adjusting to a new community, school or job
- Being in poor shape physically
- Daily annoyances such as traffic or lost keys
- "Empty nest" syndrome when adult children leave home
- Family problems
- Financial problems

- Holidays
- Inability to get along with others
- Inability to reach personal goals
- Injury
- Job-related problems with boss, co-workers or supervisor
- Legal problems
- Loss of a loved one
- Major changes in lifestyle, such as a new baby or retirement
- Meeting new challenges
- Poor eating habits
- Pregnancy
- Sexual difficulties
- Too many things to do and not enough time

NOTE: There are many other causes of stress, because no two people are alike. A situation that might be stressful to one person may not be stressful to someone else. It is important to identify factors that are stressful and to find solutions that help in coping with stressful situations.

OBJECTIVE 5 **Distinguish between types of personalities.**

A source of stress for you may be your own personality type. Two distinct personality types have been identified. Characteristics of each type are listed below.

NOTE: The "Type A" personality is more prone to develop stress-related illnesses such as heart disease and high blood pressure. A person can use the following lists of characteristics to see where his or her personality fits. No one will be all of one type or all of the other. However, a person can usually see where the majority of his or her traits fall.

- **"Type A" Personality**

  Characteristics:

  - Competitive
  - Achievement oriented
  - Impatient
  - Chronic sense of urgency
  - Restless
  - Does more than one thing at a time

- **"Type B" Personality**

  Characteristics:

  - Relaxed
  - Easy going
  - Seldom impatient
  - Moderate work and speech pace
  - Enjoys avocational pursuits or recreation
  - Less prone to anger

OBJECTIVE 6

Select from a list time management skills. (Home Economics Fact Sheet No. T4312, "The Time-Stress Connection," Oklahoma State University.)

Effective time management is an excellent tool for managing stress. Time management means assessing what is being done with time and evaluating how the activities fit with personal or organizational goals.

Efficient use of time is achieved by the person who can separate the important from the unimportant, identify and work toward goals based on what is important, set priorities, plan, get organized and remain flexible to change. The following is a list of guidelines for time management:

- **Organize yourself**

  Think about your life — about what you want to do, ought to do, must do and why. Assign a level of importance to each — the 1-2-3 star approach. Put first things first. Study tasks and when possible:

  - eliminate
  - combine
  - modify
  - substitute
  - exchange
  - dovetail

- **Overhaul your living and work environment**

  Look critically at where you live, work, play. What needs to go? be added? be changed? Consider:

  - equipment and supplies
  - habits and customs
  - attitudes

- **Reduce procrastination**

  Stop putting off doing jobs. Procrastination results in bad attitudes, jobs taking longer than needed, others questioning your dependability and reliability. Ask if you're guilty of:

  - lingering over coffee, coke, cigarettes, etc.
  - socializing before and between tasks
  - putting off starting due to lack of interest
  - doing one thing when you should be doing another
  - feeling overwhelmed by the size or challenge of the job

- **Learn to say no**

  Remember the number of times you've tried to do too many tasks for the time and energy you have. Sometimes others are asking or demanding. Sometimes you are the one coming up with things to do. Think:

  — about the time the job will take

  — where it fits into your priorities and schedule

  — what will happen if you say no

  — who else can and will do the job

- **Watch your tempo and mood**

  Consider the time of day, week, etc. when you're at your best physically, mentally, emotionally and when you're not. Aren't there times when you can get lots done and other times when you're not able to do much? Learn:

  — when to push, do more, work faster

  — when to hold back, slow down, stop

  — to ask, "Is this the best possible use of my time and energy?"

- **Allow time off**

  Think about your best days. What were they like? What did you do? How did you feel? Chances are the best days of your life:

  — allowed time for rest and relaxation

  — had space for interruptions, mishaps, the unexpected

  — contained time for thinking and doing

- **Stretch time**

  Ask yourself if everything you need or want to accomplish has to be done by you in the way you've always done it? Consider:

  - using telephones for information
  - postal services to order, communicate, inform
  - hired help
  - trading services or tasks
  - proper equipment

  Time is a tradeable resource. With time and energy, you may earn money. You can exchange some of your money for the above goods and services to help you do tasks that require time!

OBJECTIVE 7

Evaluate physical stress management skills.

INTRODUCTION

Since stress is an emotional and physical reaction, it is important to understand how a healthy lifestyle promotes high self-esteem; high self-esteem improves the ability to cope with stressful situations and solve problems.

In order to evaluate physical stress-management skills, it is necessary to be aware of the characteristics of a healthy lifestyle. Three of the most important factors in a healthy lifestyle include:

- **Exercise** — Physically fit people seem to be able to handle stress better than those who are not. Because of the rewards of exercising a person feels better about him or herself and has a more positive outlook on situations. A good exercise program should include aerobic activities such as running, walking, swimming and bicycling which help the body use oxygen more efficiently and strengthen the heart and lungs.
- **Nutrition** — Food is the body's fuel, so basically you are what you eat. Junk foods and refined sugars contain empty calories and have very little nutritional value. Meals which are planned around the four basic food groups will "fuel" the body for its best performance. Eating right, avoiding caffeine and alcohol, and limiting the use of sugar, fat and salt will promote good health and help reduce stress.

- **Rest and relaxation** — The body needs a chance to slow down and recharge its battery. Sometimes the body needs to just relax and not do anything to allow time to be free from stress. Getting to bed at a reasonable hour helps the body refresh itself. Learn to take short relaxation breaks during the day when the body is stressed.

OBJECTIVE 8 **List positive and negative ways of coping with stress.**

In order to manage the stress in a person's life it is necessary to evaluate behaviors. Although somewhat difficult, each person can improve the "quality" of life by identifying and eliminating the negative coping mechanisms and building upon the positive ones. The following includes both positive and negative coping behaviors.

CAUTION

Negative coping behaviors can be very dangerous both to the person using them and to innocent bystanders and family members.

ABUSIVE BEHAVIOR OF ANY KIND SHOULD NEVER BE TOLERATED!

Negative behaviors:

- Abuse of drugs, tranquilizers or alcohol
- Overeating, undereating or eating non-nutritious foods
- Smoking
- Drinking high caffeine liquids
- Withdrawing psychologically — escapism
- Withdrawing physically — isolation, absenteeism, suicide
- Abuse of others verbally, emotionally, physically or sexually

Positive behaviors:

- Building up resilience toward stress through proper diet, exercise, deep breathing, relaxation; striving for good health or "wellness"

- Nurturing and using the healthy relationships in a person's life, therefore having a strong support system of friends, co-workers and family members

- Practicing good time management habits, with a healthy balance of time spent relaxing and working

- Acting assertively to change stressful situations

- Using healthy "diversions," like listening to music, taking walks and going on short trips

- Taking control over the stressor by changing the perception of it

- After all means have been tried and the stressor is still taking hold of a person's life, it may be necessary to leave the stressful situation and seek healthier opportunities.

OBJECTIVE 9

Select from a list statements about using assertiveness in managing stress.

One of the primary causes of stress is the "saving up" of negative feelings.

EXAMPLES: Hurt feelings, anger, feelings of being treated unfairly, not being included in activities, being a victim of prejudice

- **Assertive** — People are characterized by being positive or confident in a persistent way to express themselves and their opinions.

- **Aggressive** — Individuals are full of enterprise and initiative and are bold in pursuit of reaching their goals; they are sometimes pushy and are willing to take direct action when needed.

- **Passive** — Individuals usually are submissive, patient and inactive and are easily influenced by others.

If a person is unable to assertively express feelings and ask for what is wanted, the negative feelings may stay buried inside until they are expressed in a "temper tantrum," quitting a job, displaying abusive behavior, getting a divorce, or acquiring an emotional or physical illness.

Learning to be assertive is extremely helpful, because small problems are solved before negative feelings become pent-up.

In order to become assertive, feelings must be expressed in positive constructive ways. Some assertive actions are listed below:

- Deal with issues and behaviors, not your judgments about them.
- Be specific about what you want.
- Avoid asking questions that have a hidden meaning such as "What are you doing?" when you really mean "I need your help."

  NOTE: Assertive behavior is most successful when a person states a need by beginning with "I . . ." "I am angry about what just happened," instead of "You make me so angry." The other person is usually more receptive with this approach rather than finding him or herself being blamed for something.

- Use assertive non-verbal behavior such as direct eye contact, firm voice, straight posture.
- When appropriate, express empathy for the other person's feelings or position.
- When someone attacks you with a judgmental statement, rather than getting defensive, ask them to be more specific.

  NOTE: Being assertive isn't always going to get you what you want but it has a better chance than other behaviors.

OBJECTIVE 10 **List signs of crisis which indicate a need for outside assistance.**

Individuals differ in reactions to stress. It is beneficial to be aware of the symptoms of stress in order to take necessary precautions before the health of the individual or others is jeopardized. The following are some of the symptoms of stress which should be signs that outside help is needed to insure that the individual and those around him or her are safe:

- Abuse of children, spouse, or others physically, emotionally, verbally or sexually

CAUTION

Abuse should *never* be tolerated.

- High anxiety level for a prolonged time
- Anxiety attacks with high pulse rate and difficulty breathing
- Change in appetite
- Chronic fatigue
- Considering suicide

CAUTION

Suicide threats should always be taken seriously.

- Constant crying
- Decreased social activity
- Depression
- Difficulty sleeping or sleeping too much
- Dizziness
- Drug abuse
- Excessive drinking of alcohol
- Feelings of hopelessness
- Feelings of not being able to cope
- Getting angry over little things
- Inability to relax
- Excessive irritability
- Lack of interest in food, sex or life in general

- Physical complaints such as chronic headaches or stomachaches
- Trouble concentrating on one thing at a time
- Unreasonable fears

NOTE: Although some of these symptoms may seem harmless, some are very dangerous. When a person is dealing with several symptoms at a time, it can become detrimental to physical and emotional health. The individual and the significant people in his or her life need to make a decision about whether or not to seek outside help for dealing with life's stresses.

OBJECTIVE 11 **List sources for outside help in a crisis.**

The following are national hotline numbers. Numbers such as these can also be obtained from the telephone directory.

The most important fact to remember is that there is help for persons in crises. The way to improve the quality of life often depends upon the person admitting that there is a problem and then reaching out for help. The following are National Hotline numbers:

- AIDS Hotline
  NOTE: 1-800-551-2728
- Alcohol Abuse Hotline
  NOTE: 1-800-252-6465
- Cocaine Abuse Hotline
  NOTE: Hotline 1-800-347-8998
  Treatment Referral 1-800-444-9999
- Drug Abuse Hotline
  NOTE: 1-800-553-7160
- Run-Away Hotline — The National Runaway Hotline provides confidential service assisting runaways and children thinking of running away
  NOTE: 1-800-231-6946

- Child Find of America, Inc. — Assists parents in locating missing children
  NOTE: 1-800-426-5678

- Child or Adult Abuse Hotline
  NOTE: 1-800-522-3511

- Youth Crisis and Runaway Hotline
  NOTE: 1-800-HIT-HOME

NOTE: Seeking help can offer new solutions to seemingly unsolvable problems. Any professional counseling will be strictly confidential. Services are often available at low or no charge if the client is unable to pay. Local agencies to contact in a crisis are listed in the local telephone directory. They may include:

— Suicide hotlines

— Rape hotlines

— Department of Mental Health

— Drug Crisis Centers

— Department of Human Services

— Domestic Violence Centers

— Family physician

BURNOUT

INTRODUCTION Burnout sometimes occurs when a person has expended all available energy over several years going to school or performing a job, without taking time to rest and recuperate.

DIRECTIONS Check the statements that measure your level of burnout.

STAGE I

______1. I get tired easily.

______2. I am less patient and more irritable.

______3. I am spending more time in escapist activities (watching T.V., light reading such as romance novels).

______4. I find it difficult to concentrate without my mind wandering.

______5. I find it increasingly difficult to make decisions.

______6. I worry about little things.

______7. I have an increase in minor illnesses (colds, flu) or headaches, or a flare-up of allergies.

______8. I focus more on the negative than the positive.

______9. I am frequently forgetting commitments, birthdays, etc.

_____10. I don't look forward to doing anything.

_____11. I procrastinate doing important tasks.

_____12. I feel bored.

STAGE II

______1. I am indulging my pet vice like nail-biting, smoking, overeating, drinking, gambling.

______2. I lose control of my emotions more easily.

_______3. I distance myself from clients or co-workers.

_______4. I lack innovation and spontaneity and "go by the book."

_______5. I blame others for my mistakes and failures.

_______6. I have begun neglecting my physical appearance.

_______7. I get a chronic illness such as ulcers, high blood pressure, colitis, migraines.

_______8. I do the minimal amount of work necessary.

_______9. I am constantly tired and sleep more or can't sleep.

______10. I take "mental health days" more frequently.

______11. I seriously question the worth of my efforts.

______12. I think I can do the job better than anyone else and that they don't appreciate all I do.

______13. I think others are not pulling their weight.

STAGE III

_______1. I am constantly depressed.

_______2. I have a severe problem with drugs, alcohol, overeating or undereating.

_______3. I want to sleep all day and hope my problems will just go away.

_______4. I am losing touch with reality.

_______5. I just don't give a darn anymore.

_______6. I want someone to take me by the hand and look after me.

_______7. I have had a nervous breakdown or have considered suicide or homicide.

If you checked a majority of the statements in any section and the behaviors have been consistent over the past few months, you are probably in that stage of burnout.

Assess your potential for burnout by checking those statements that apply to you. (Burnout candidates often deny their problem — you might want to have someone close to you also fill this out.)

______1. Others frequently comment on the busy schedule I keep.

______2. Others look to me for direction and depend on me for support.

______3. Being well-liked is important to me.

______4. I am an idealist.

______5. I seek responsibility and enjoy leadership.

______6. I complete tasks quicker and more efficiently than others.

______7. I am impatient.

______8. I function well under pressure.

______9. I like the intensity of challenge and adventure.

_____10. I like things to be perfect or nearly perfect.

_____11. I become bored easily and constantly seek change and variety.

_____12. I have a chronic sense of urgency.

_____13. I find it difficult to relax and do nothing.

_____14. I put more than an average amount of time and energy into my job.

_____15. I take pride in my accomplishments and am concerned about preserving an image of competence.

If you checked more than half, you have the potential to "burnout."

Strategies for preventing and overcoming burnout:

- Spend some time thinking about and setting goals for what you really want to do with your life.

- Substitute your "be perfect" self-talk with more realistic and affirming messages to yourself.

- Take things less personally; change from believing "their pain is my pain" to "their pain is their pain." Don't take on their problems to add to your own.

- If your job or a relationship is the cause of the burnout, get out if possible.

- If you absolutely can't leave (like with a relative), strike a balance and reduce your feelings of responsibility.

- Use your support system, but don't take advantage of them.

- Have a rich and varied life apart from work; protect it from encroachments from work. Say "what doesn't get done, doesn't get done."

- Learn to say "no."

- Do things in different ways; vary your routines.

- Give more positive appreciation and accept more.

- Nurture yourself; treat yourself to things you want but don't "need."

- Become more tolerant of the right of others to think and feel differently than you do. Stop trying to be "manager of the world."

- Simplify your life by delegating to others, hiring someone to do the chores you don't like or leaving them undone.

- Schedule time to play or just do nothing.

IRRATIONAL BELIEFS LEADING TO STRESS

Stress-producing, irrational beliefs:	Stress-reducing, rational beliefs:
1. It is awful, terrible and catastrophic if things don't go the way I would like them to.	1. I don't *like* the way things are going or the way that person is. I can either do something to change it, decide not to let it bother me or leave. It is a waste of energy to worry and *wish* things were different.
2. I should be perfect, and if I make a mistake, I am a terrible person.	2. I would *like* to be perfect, but I am human and sometimes make mistakes. Most people are understanding and forgiving. I can feel good about trying my best and take pleasure in what I have already accomplished.
3. I am responsible for others' feelings and for solving their problems.	3. Some people *choose* to put themselves out of my control. I can only control myself. I can *try* to influence and help others, but if things don't go as I would like that does not mean I have failed. I cannot *make* someone else angry or hurt, just as others cannot make *me* angry or hurt (or happy) unless I choose to be.
4. I must be loved and approved of by everyone I think is important and if not, there is something wrong with me.	4. It is impossible to please all of the people all of the time. I would *like* to have everyone's love and approval but I don't *need* it to still feel O.K. about myself. If someone important to me disapproves of my behavior or beliefs, that does not make me a worthless *person*. Love or approval that has conditions — "I'll love you or like you if . . ." is of questionable value to me.

5. If I worry about it, I can control the outcome; it will change.	5. Worry only wastes emotional and physical energy. Most worry is over things that have already happened or never will happen. We usually imagine the *worst* things that can happen without also considering what the positive outcome might be.
6. I am not as good, competent, intelligent, patient, etc. as everyone else.	6. Our "private" self sees everyone else's "public" self. Underneath, they are probably just as unsure about themselves as we feel about ourselves at times.
7. I have to win or get my way to feel good about myself — winning is everything.	7. It is not possible for me to *always* get what I want. I can feel good that I *tried* and didn't just helplessly *wish* that things were different. I can always try again.
8. Others should be, feel and do what *I* think is best for them.	8. Other people's point of view is different because their life experience is different than mine. Others have the right to choose for themselves. If it interferes with my needs, then I can ask them for their cooperation and tell them how I feel. I can give my point of view without making them agree with me. Often, trying to push someone to do what *I* want only causes resistance on their part.
9. Something is wrong with me if I am not always happy.	9. We cannot *make* ourselves happy just as we can't make others happy. Happiness usually results from the ability to stop focusing on ourselves and become absorbed in other activities.

10. It is selfish and wrong to think of my own needs and feelings.	10. My needs are as important as anyone else's. If I do not receive some caring and nurturing back, eventually I will run out of any to give — I am not a bottomless well and I *can* run dry. If I ask for what I want and need, I am *self-caring*, not selfish. Selfish means no concern for others. If my needs interfere with someone else's, we can usually negotiate to find a way that we can both feel satisfied.
11. There is just one perfect solution to each problem and it must be found.	11. There are many options in solving any problem. If one doesn't work, it is always possible to try another.
12. I don't have control over my emotions and can't help how I feel.	12. The way I think influences my emotions and how I feel. I can choose to alter my thinking and thus change how I feel.
13. It is easier to avoid responsibilities and problems in life than to face them.	13. Avoiding responsibility and not facing a situation creates more problems. Solving problems leads to happiness and self satisfaction.

PROVEN STRESS REDUCERS

For the most part, stress isn't something outside of us — it's between our ears. And that's good because it means we can usually do something about it.

Here are some brand new stress reduction techniques to help you PREVENT or DEFLATE daily pressures. Add the ones that appeal to you to your coping repertoire.

- Sing a favorite old song.
- Be careful of falling into an "I want it NOW" mentality. Computers and microwave ovens can produce instantaneously; people work slower.
- Buy clothes that are: 1) comfortable, 2) easy to maintain and 3) easy to pair with other clothes that you have. Shun "dry clean only" labels.
- The more expensive something is, the more stress you'll feel if you lose it or it breaks. (A Timex watch left in a washroom is no big deal; a missing Rolex is something else.)
- Give yourself time to get used to a big change before you take on ANOTHER big change. Graduating, getting married, buying a house and starting a family in the same year might better be stretched out over five years, or more.
- Remind yourself that you aren't totally responsible for other people's moods or feelings. (He's in a terrible mood; it must be something I said.)
- Don't pin negative labels on yourself. (Instead of thinking, "I'm scatterbrained and inconsiderate," think, "I forgot an appointment.")
- Look out the window and "go on safari." Study sauntering cats, busy squirrels, wandering dogs and birds.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

- Take a moment to relive a happy time in your life.
- Hug a loved one.
- Listen to your favorite music.
- Drink a tall glass of orange juice on the rocks.
- Set a timer for 15 minutes — put your feet up and relax.
- Take a long drive in a new direction on a road you've never traveled before.
- Get together with an upbeat friend who has a good sense of humor — and *laugh*.
- Remind yourself that there's no one in this world who is more important than you are; and there's no one who is less important.
- Less is more. Being happy with one dog doesn't mean you'll be twice as happy if you get another dog.
- Eliminate or restrict the amount of caffeine and alcohol in your diet.
- Are you human? Well then, it's OK to make a mistake.
- Learn to ignore what you can't control; learn to control what you can.
- Do something nice for somebody else.
- Carry two cash-machine cards with you. If one becomes scratched or damaged, you can use the other one to get weekend or after-hours cash.
- Talk less.
- Listen more.
- Be good and do good.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

- Shop on off-hours and off-days to avoid crowds and traffic.
- Buy a pair of tickets to a special event (sports, theater, etc.) every month so you have something to look forward to.
- Join a support group.
- Limit your number of evenings out to two or fewer a week.
- Write your problems down on paper or talk about them with a good listener; don't keep them inside.
- Tackle a problem head on — then get on with life.
- Remind yourself that you are not the general manager of the universe.
- Say no! Saying no to extra projects, social activities and invitations you know you don't have the time or energy for takes practice, self-respect and a belief that everyone, everyday needs quiet time to relax and to be alone.
- Make up a marvelous fantasy about yourself and live it for five minutes.
- Choose hobbies and social activities that are different from your work. If you work with your hands, choose a hobby that involves your whole body. If you work with a lot of people, choose a hobby you can do alone, etc.
- Hit some tennis or golf balls, or shoot some basketballs.
- Avoid the company of those who "pull you down."
- Do something that will improve your appearance. Looking better can help you feel better.
- See "failures" as stepping stones instead of roadblocks.
- Be willing to learn new things and to unlearn things you have learned.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

- How much is a certain hassle worth in terms of money? Is fighting a $5 parking ticket in court really worth the elevated blood pressure, and the time and aggravation?

- Watch aquarium fish.

- Take a brisk walk around your neighborhood.

- Cry. Scientists have found that there are stress chemicals in emotional tears; crying is a way of ridding your body of these chemicals.

- Ask yourself what's the worst that could happen and what you'd do if the "terrible" thing you're worrying about actually occurred. This will remind you that life will go on even if the worst does happen, and that you'll be able to cope — probably quite well.

On the job

- On Friday afternoons (or the last day of your work week), take a few minutes to really clean up your work area — sharpen pencils, restock supplies, dust, file, etc. On Monday morning, you'll be all organized.

- Never a pencil by the phone? Buy a pencil or pen that you can chain down.

- Get up and stretch periodically if your job requires that you sit for extended periods.

- Eat lunch alone. Get away from "shop talk" and other people — if you just get a little while.

- If you get tied up in traffic, stop at a phone booth and notify someone that you'll be late. This will allow you to relax and drive safely.

- If you have 10 days of vacation time a year, consider taking a one week vacation, and using the other five days to make three-day weekends spread throughout the year.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

- If someone criticizes you, consider it calmly. If what has been said is correct (in part or in full), try to remove the defect and thank the person for his kindness in pointing it out to you.

- Allow 15 minutes of extra time to get to appointments.

- No matter how busy you are, take a lunch break. Get away from your desk or work area in body and mind — if just for 15 or 20 minutes.

- Keep a favorite "inspirational message" handy at work or in your wallet to center you when you're having a bad day.

Around the house

- Do household chores with your family. Make up a game and have fun!

- Hate to do the laundry? What if you had to do it all by hand? Gratefulness can make a job pleasant.

- Another option. If you dread a particular household job, look into getting someone else to do this job for you on a routine basis. It's worth a few bucks if it reduces your stress.

- Play the piano.

- Pet a purring cat.

- Look through an old photo album that you love.

- Watch an old movie (TV or VCR tape) with the phone unplugged and a bowl of popcorn in your lap.

- Put a pillow over your mouth and scream.

- Work in your garden.

- Put a favorite houseplant in a new pot.

- An unpublished phone number costs a couple of dollars a month, and helps eliminate unwanted phone calls. Another option: a phone answering machine.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

- Take a hot shower or bath.
- Make a peaceful home. "To him whose home is heaven, the whole world is heaven."

Spiritual support

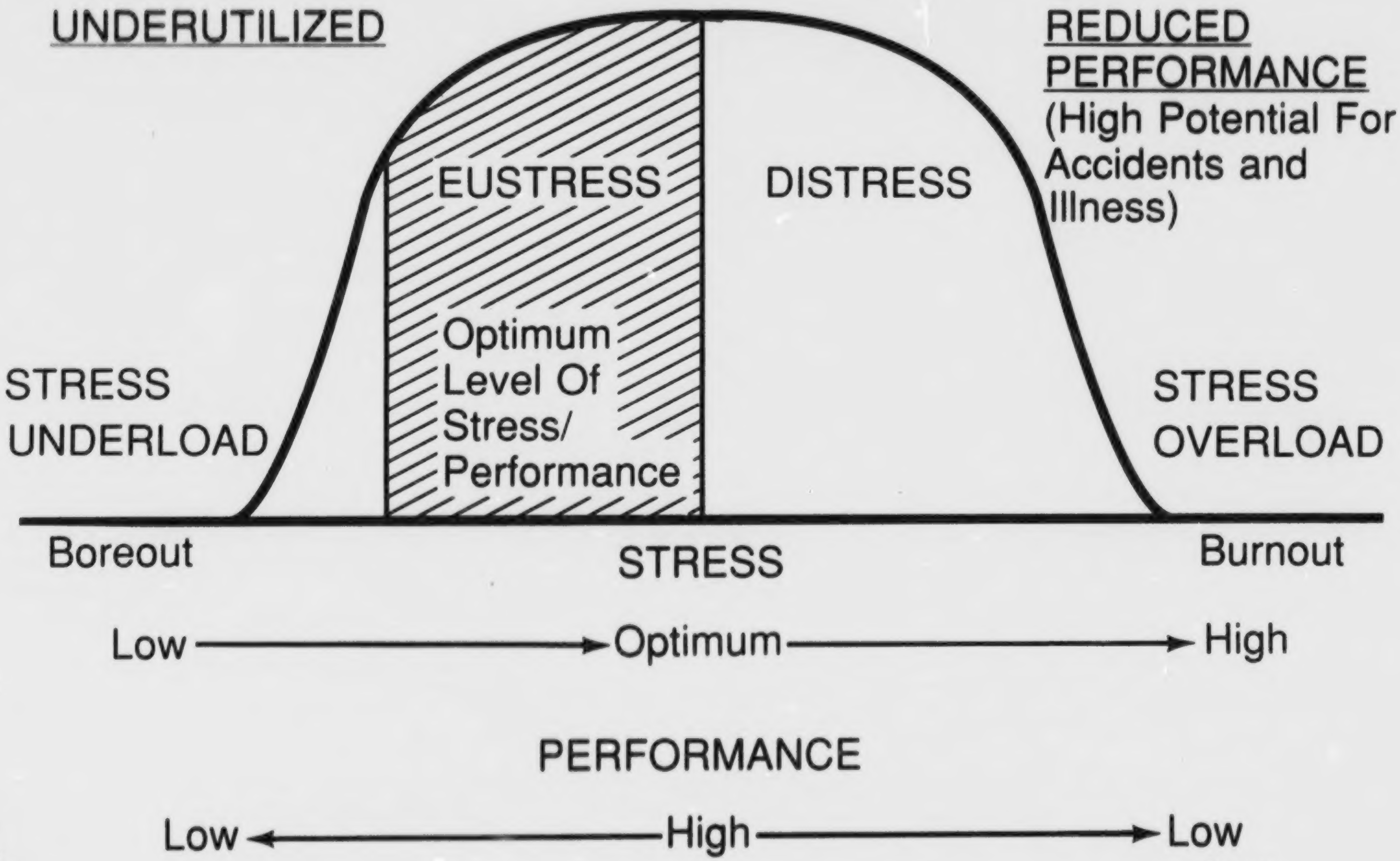
- Remember that there's nothing that can happen that you can't handle with faith.
- Start and end your day with meditation or prayer.
- Remember that love and humility surmount most troubles.
- Do your best, and leave the rest.

Reprinted with permission, HOPE Publications, Kalamazoo, Michigan, (616) 343-0770.

X - 61

TRANSPARENCY MASTER 1 - ICE II

Optimum Level of Stress


UNDERUTILIZED
REDUCED PERFORMANCE
(High Potential For Accidents and Illness)
EUSTRESS
DISTRESS
Optimum Level Of Stress/ Performance
STRESS UNDERLOAD
STRESS OVERLOAD
Boreout
STRESS
Burnout
Low
Optimum
High
PERFORMANCE
Low
High
Low

TM 1

ACTIVITY SHEET 1

MANAGING STRESS

X

NUTRITION

Reading Comprehension Skills
- Analyze cause and effect
- Make generalizations

Data Analysis and Display Skills
- Collect/record data

General Relating Skills
- Identify personal values/attitudes

NAME ______________________________

PHYSICAL STRESS MANAGEMENT SKILLS

Assess your own nutritional habits:

1. On the average, you eat a serving of vegetables:
   _____(1) Less than once a day.
   _____(2) At least once a day.
   _____(3) Twice a day.
   _____(4) At least twice a day.

2. When offered a choice of potatoes at a restaurant, you pick:
   _____(1) French fried.
   _____(2) Mashed.
   _____(3) Baked with butter and sour cream.
   _____(4) Baked with little or no butter.

3. The breakfast that most closely resembles your usual one is:
   _____(1) A sweet roll and a cup of coffee or no breakfast.
   _____(2) Cold, pre-sweetened cereal with milk, juice and coffee.
   _____(3) Eggs and toast, juice and coffee.
   _____(4) A natural whole grain cereal, e.g. oatmeal or granola, with milk and a piece of fresh fruit.

4. Following your evening meal you have a sugary dessert (such as cake, pie, or ice cream):
   _____(1) Always.
   _____(2) Most of the time.
   _____(3) Some of the time.
   _____(4) Only on your birthday or special occasions.

5. Most of the protein in your diet comes from:
   _____(1) Red meat.
   _____(2) Full fat dairy products, e.g. whole milk and cheese.
   _____(3) Chicken and fish.
   _____(4) A combination of chicken, fish and/or a well-planned program of vegetable proteins (beans, nuts, and grains).

6. The refined white sugar in your diet:
   _____(1) Comes from what you put into your coffee, on your cereal, and the desserts you eat regularly.
   _____(2) Comes from what is hidden in the processed foods you eat.
   _____(3) Is minimal; you make a strong effort to have little refined sugar in your diet.

7. If you are hungry and there is nothing but a vending machine around:
   _____(1) You'll have a candy bar.
   _____(2) You'll have a pack of crackers.
   _____(3) You'll have a bag of peanuts.
   _____(4) You won't have anything at all.

8. The last time you had something like a Twinkie was:
   _____(1) Right now.
   _____(2) When you were living on $5 a week in college
   _____(3) When you were in grade school.
   _____(4) You don't even know what a Twinkie is.

9. You eat potato chips and/or pretzels:
   _____(1) Regularly.
   _____(2) Occasionally.
   _____(3) Only at parties.
   _____(4) Never.

10. You consider fried and/or greasy foods:
   _____(1) A delicious part of your regular diet.
   _____(2) OK to enjoy occasionally.
   _____(3) Something to avoid like the plague.

Add up the totals of the numbers corresponding to the answers you checked.

38-32	Honorably health conscious
31-27	Commendably health conscious
26-22	Acceptably health conscious
21-17	Health unconscious
16-12	Reprehensibly health unconscious
Below 12	Abominable

Poor diets predispose us to become early casualties of stress. Although improving our eating habits may not help us prevent stressful events, eating as nutritionally as possible is one of the best ways to maintain the level of wellness we need to handle stress effectively on a long-term basis. Remember that just because we aren't sick, doesn't mean we are well!

Also, certain foods like refined sugar and caffeine can have a dramatic effect on our emotional state and therefore on our ability to think clearly and rationally. Each of us has our own unique sensitivities or intolerances to certain foods that react with the white cells in our blood, weakening our immune system and often causing a diminished sense of well-being. Some of the most common sensitivities are to refined sugars, yeast, dairy products, eggs, wheat and corn.

Some tips for a healthy, stress-resistant diet:

- Avoid foods high in refined sugar and sodium (almost all prepared foods).
- Limit alcohol — it is high in calories and stimulates appetite.
- Limit caffeine — it overstimulates the nervous system and increases hypoglycemic reactions.
- Limit fat to no more than 30% of your calories (average is about 45%).
- Cut down on red meat, egg yolks, and whole milk (also cheese if you have a cholesterol problem).
- Increase consumption of chicken and fish (2 meals of fish a week decreases the risk of heart disease).
- Increase consumption of whole grains, beans, raw and steamed vegetables, whole fruits (better than juice because of the fiber).
- Choose fast foods carefully.

  EXAMPLE: A Whopper has 600 calories; a Big Mac, 540 calories; a Kentucky Fried Chicken 3 piece extra crispy dinner, 950 calories.

- Eat more fiber — it is more satisfying and helps you eliminate other calories by trapping and carrying food molecules beyond the small bowel.

  EXAMPLE: Fruit

- Yogurt is an excellent source of calcium; potatoes (without all the butter) have protein, vitamins and minerals, plus fiber. Why not put yogurt with some chives on your baked potato?

- Eat smaller meals more often.

Exercise

Do you:	Often	Occasionally	Rarely
Take the stairs instead of the elevator?			
Avoid parking as close as you can to a building?			
Walk rather than drive to a destination within six blocks?			
Perform vigorous lawn or house work?			
Engage in an aerobic exercise?			

If you didn't check "often" at least three times, you probably don't have the physical stamina and resilience to withstand major stressors.

Exercise, like proper nutrition, can help us withstand the impact of stress. Recreational exercise such as leisurely walks, golf or bowling can be of benefit in terms of providing a diversion and releasing tension, although competitive ego-involving exercise may be more harmful than beneficial. But regular "aerobic" exercise has great value for stress management.

"Aerobic" is the term coined by Dr. Kenneth Cooper, a leading exercise specialist, to refer to exercises that have one common goal: to stimulate and condition the heart, lungs and blood vessels. To be aerobic, an activity must be:

1. **Vigorous** enough to work up a good sweat and make you breathe harder.

2. **Sustained** enough to maintain the elevated heart rate at least 20-25 minutes.

3. **Rhythmic** so that work between the skeletal muscles, heart, blood vessels and lungs is coordinated. Purely aerobic activities are jogging, walking, swimming, cycling and skipping rope.

4. **Systematic** — no less than three times a week. Sporadic exercise can be dangerous!

It is important to warm up and cool down to minimize stress on your heart and muscles. **Always** check with your doctor before beginning any exercise program.

Benefits of aerobic exercise

- Strengthening of heart, lungs and muscles throughout the body, thus improving general circulation. It may also reduce blood pressure and usually slows the heart rate — your heart becomes more efficient.
- Improved absorption/utilization of food.
- Increased energy and stamina.
- More restful sleep.
- Lessening (if not elimination) of depression, nervous tension (exercise produces "endorphins" which create a natural "high").
- The increased flow of oxygen to your brain helps you think more clearly.

FIND AN EXERCISE THAT YOU *LIKE* TO DO SO YOU WILL CONTINUE DOING IT.

ACTIVITY SHEET 2 **MANAGING STRESS** **X**

NAME ______________________

STRESS-PRODUCING CHANGES

If you have experienced any of the following changes during the past year, place a check mark by that item. Add up the points to get your score.

1.	Death of spouse	100	______
2.	Divorce	73	______
3.	Marital separation	65	______
4.	Jail term	63	______
5.	Death of close family member	63	______
6.	Personal injury or illness	53	______
7.	Marriage	50	______
8.	Fired or laid off	47	______
9.	Marital reconciliation	45	______
10.	Retirement	45	______
11.	Change in health of family member	44	______
12.	Pregnancy	40	______
13.	Sex difficulties began	39	______
14.	Gain of new family member	39	______
15.	Business readjustment	39	______
16.	Change in financial status	38	______
17.	Death of close friend	37	______
18.	Change to different line of work	36	______
19.	Change in number of arguments with spouse	35	______
20.	Acquired mortgage over $50,000	31	______
21.	Foreclosure on mortgage or loan	30	______
22.	Change in responsibilities at work	29	______
	Subtotal		______
23.	Son or daughter leaving home	29	______
24.	Trouble with in-laws	29	______
25.	Outstanding personal achievement	28	______
26.	Spouse begins or stops work	26	______
27.	Begin or end school	26	______
28.	Change in living conditions	25	______
29.	Revision of personal habits	24	______
30.	Trouble with boss	23	______
31.	Change in residence	20	______
32.	Change in schools	20	______
33.	Change in recreation	19	______
34.	Change in church activity	19	______
35.	Change in social activities	18	______
36.	Acquired mortgage under $50,000	17	______
37.	Change in sleeping habits	16	______
38.	Change in number of family get-togethers	15	______
39.	Change in eating habits	15	______
40.	Extended trip	13	______
41.	Christmas	12	______
42.	Minor violations of the law	11	______
	Subtotal		______

TOTAL ______

Reading Comprehension Skills
- React to written material

Functional Reading Skills
- Follow written instructions

Data Analysis and Display Skills
- Collect/record data

General Relating Skills
- Apply info to life experiences

Dr. Thomas A. Holmes, a research specialist in stress-related illnesses at the University of Washington School of Medicine, devised the following standards by correlating illnesses of patients with actual changes in their lives:

Less than 150 —	one in three chance of a serious illness in the next two years
150-300 —	increases your risk by 50%
Over 300 —	your chances of becoming sick are almost 90%

SOURCES OF STRESS

NAME ______________________________

INTRODUCTION Read these sources of stress and apply the concepts to the following page.

TYPE I — Recent events on the job
Includes changes such as:

- — Major changes in policies or procedures
- — Requirement to work more hours per week than normal
- — Sudden, significant increase or decrease in activity level
- — Major reorganization
- — New supervisor
- — New employees
- — Change in nature of job

TYPE II — Recent events away from the job
Includes changes such as:

- — Marriage
- — Death of a family member
- — Serious illness
- — Divorce
- — Move

Reading Comprehension Skills
- React to written material

Language Skills
- State ideas clearly

TYPE III — Ongoing conditions on the job
Includes daily pressure such as:

- — Too much work, too little time
- — Feedback only when performance is unsatisfactory
- — Conflicts between my unit and others
- — Unclear standards, responsibilities
- — Crowded or noisy workplace

TYPE IV — Ongoing conditions away from the job
Includes daily pressures such as:

- — Pollution
- — Noise
- — Weather
- — Poor economy
- — Anxiety about children or aging parents

Job Search/Selection Skills

- Analyze duties/ requirements/ benefits of specific job

SOURCES OF STRESS

Identify your major stressors in the four categories below (some examples are on the previous page). Be as specific as possible.

TYPE I
Recent events on the job

TYPE III
Ongoing conditions on the job

TYPE II
Recent events away from the job

TYPE IV
Ongoing conditions away from the job

Place a + beside those stressors which you have *total* control to change.
Place a ✓ beside those stressors which you have *some* control to change.
Place a – beside those stressors which you have *no* control to change.

How are you responding to these stressors? Where in your body do you feel the stress?

	Seldom Do This	Sometimes Do This	Do This Most Of the Time
PSYCHOLOGICAL SKILLS			
1. Positive thinking — controlling negative thoughts.	______	______	______
2. Tolerance — accepting the things I can't change.	______	______	______
3. Positive activity — setting personal goals and moving toward them.	______	______	______
ENVIRONMENTAL SKILLS			
4. Assertiveness — saying "no" without feeling guilty.	______	______	______
5. Support system — reaching out to family and friends.	______	______	______
6. Time management — deciding and controlling priorities; controlling the tempo of my activities.	______	______	______
PHYSICAL SKILLS			
7. Nutrition — wholesome, nutritious food; limited sugar, salt, fats and alcohol.	______	______	______
8. Exercise — regular, aerobic activity I *enjoy*.	______	______	______
9. Relaxation — deep breathing, deep muscle relaxation and/or meditation.	______	______	______

ASSIGNMENT SHEET 1

MANAGING STRESS

NAME ______________________ SCORE ________

OBJECTIVE 11

Evaluate a stressful situation.

DIRECTIONS

Read the following case studies and answer the questions for *one* person from either case study.

Reading Comprehension Skills
- Draw conclusion
- React to written material

General Relating Skills
- Apply information to life experiences

Cognitive Activity Skills
- Define a problem
- Predict results/ outcomes
- Devise a solution

Case Study 1

John and Annette have been married for two years. John works part-time and takes three courses at a vocational school. Annette has been working at her full-time job for three years. She is happy with her job. Both have had definite goals for their lives. His immediate goal is to finish his school work and get a job which will help them buy a house in the future. However, these plans are suddenly put on hold when they find out Annette is pregnant. She has a health problem which necessitates that she stay home during the pregnancy. John will continue his classes and find a full-time job which will help financially. Suddenly, Annette is home alone all day, with very few outside contacts. She feels very depressed and finds herself eating too much and quickly gaining weight. John is either working, in class or studying most of the time and is usually very tired. He is very irritable and has been verbally abusive to Annette two times lately. He gets impatient hearing about babies, pregnancy and how she feels each day. Financially, they are in a bind. Since Annette had to quit her job, there is no health insurance to cover her medical expenses or hospitalization. Even though it has caused major changes in her life, Annette is getting excited about having the baby. She wishes John felt the same way. Annette notices that John is finding excuses to spend time with his drinking buddies. His drinking has increased lately. She doesn't want to talk to him about his drinking for fear of making him angry.

Although basically John and Annette have had a good marriage, their relationship is definitely strained at this point in their lives.

Case Study 2

Karen, a senior at Bigfork High School, is enrolled in a cooperative education class. She is required to work part-time to fulfill the requirements for her class. Karen works in a women's clothing store to learn fashion merchandising. She wants to own her own clothing store in the future. Karen is a cheerleader and has to be at all the football and basketball games to cheer with her squad. She also has to make time for cheerleading practice and school work. Karen's father dies suddenly and her family begins to rely more on the income from her job. At work, one of the employees is doing a poor job of marking merchandise and stocking the shelves and Karen is blamed for it. She tries to explain to her boss that she didn't stock that order. Money has been disappearing from the cash register and all the part-time workers have been under suspicion. Knowing she isn't guilty, she has tried her best to do every task promptly. She always looks for more tasks when she has completed one. She never just stands around talking. All of the pressures are beginning to get to her and she has lost 10 pounds in the last month as a result of having no appetite. Karen finds herself crying over small events. When she starts crying, she has difficulty stopping. A couple of times after games, her friends have tried to pressure her into relaxing by using drugs. So far, she has been able to resist, but it has been getting harder to cope with all the pressures and problems.

DIRECTIONS

Choose one of the people (John, Annette, or Karen) in these case studies and answer the following questions about only that person.

1. Name of person ______________________________

2. What goals has this person set for his or her life?

   ____

   ____

3. Is the person facing positive or negative stress or both? Explain the stressors. (Refer to Information Sheet 2.)

   ____

   ____

4. What stage of stress is the person experiencing? (Refer to Information Sheet 3.) Explain your reasoning.

5. Does the person have a problem which could be helped with time management skills? Explain. (Refer to Information Sheet 6.)

6. How could this person use physical stress management skills? (Refer to Information Sheet 7.)

7. What positive and/or negative ways of coping is the person using? (Refer to Information Sheet 8.)

8. Could assertiveness help the person? (Refer to Information Sheet 9.) Explain your answer.

9. Is there enough stress to call this a crisis? If so, what makes you suspect a crisis? (Refer to Information Sheet 10.) Explain your answer.

   NOTE: The earlier a person seeks help, the easier is the recovery.

10. What agency might be able to help the person you have chosen? (Refer to Information Sheet 11.)

____

____

11. Predict what you think will happen to the person during the next year.

____

____

____

MANAGING STRESS

ASSIGNMENT SHEET 1

Students are only required to answer questions for one of the following persons.

1. John, Annette, or Karen

2. John: Wants to finish his vocational-technical program and eventually buy a house

   Annette: Wants a home in the future, wants a healthy baby

   Karen: Wants to own and manage a clothing store

3. John: Is being overwhelmed with negative stress from financial problems

   Positive stress from wanting to finish school

   The expected baby could be considered positive or negative stress depending on how each person views it

   Annette: Negative stress of being homebound, depressed about having to quit her job, being concerned about John's drinking, financial problems

   Positive stress of being excited about the baby

   Karen: Positive stress of cheerleading

   Negative stress of job problems and death of her father

4. John: Stage 3 — Exhaustion. He is not able to rest enough to repair the effects of the stress.

   Annette: Stage 2. She is probably better able to rest by being at home.

   Karen: Stage 3 — Because of father's death, she may have reached a point of exhaustion

5. John: He could probably manage his time better by using stress relieving techniques such as exercise which would get rid of the effects of stress better than the alcohol.

Annette: Time management does not seem to be a problem.

Karen: Must use time management techniques of allowing some time for herself and, also, by learning to say "no" to activities which are not necessary.

6. John: More exercise and relaxation (without the alcohol)

   Annette: Some mild exercise which is approved of by her doctor

   Karen: Especially needs some rest and relaxation

7. John: Is using negative ways of coping by using alcohol, withdrawing from the stress and verbally abusing Annette

   Annette: Is using a negative way of coping by overeating

   Karen: Cheerleading provides exercise needed to dispel tension

8. John: Could be assertive in telling his friends "no" when they invite him to drink with them

   Annette: Needs to be assertive in expressing her needs to John

   Karen: Assertiveness could help on the job when accused of things others are doing

9. John and Annette: This couple is in a crisis situation because John is turning to alcohol in order to try to cope. This behavior will probably increase unless there is some outside help.

   Annette is becoming afraid of John's temper.

   If no outside help is received, the situation could quickly become worse, resulting in physical abuse.

   Karen: Loss of appetite, crying easily are signs of crisis

10. John and Annette could benefit from professional counseling. Annette could talk to her doctor for a referral. John could benefit from this counseling and if he becomes more dependent on alcohol, AA could definitely help.

Karen: Probably needs to see her family physician first

11. Answers will vary.

WRITTEN TEST

MANAGING STRESS

X

NAME ____________________ SCORE ________

OBJECTIVE 1

Match terms associated with stress management to their correct definitions. Write the correct letters in the blanks.

______1. To arouse a sense of danger

______2. Positive stress that helps motivate, inspire and increase a person's concentration and task performance to meet a challenge, after which a person can relax

______3. The way an individual sees or understands a situation; a mental image

______4. The intellectual, physical or emotional exhaustion that occurs when a person has more energy going out than the body can recharge

______5. The chemical, physical or emotional factor that causes physical or mental tension in an individual

______6. The physical changes in the body that prepare a person for dealing with a stressful or alarming situation in which the body has to respond immediately

______7. The body's ability to withstand the force or effect of a stressor or situation that causes a depletion of body energy

a. Stress
b. Burnout
c. Resistance
d. Alarm
e. Depression
f. Stressor
g. Mental illness
h. Distress
i. Exhaustion
j. Fight or flight
k. Perception
i. Eustress

_____ 8. To tire extremely or completely so there is no more energy left to deal with situations or cope with problems

_____ 9. Negative stress that keeps a person emotionally and physically tense so they cannot relax after dealing with a situation

_____ 10. Any factor that causes the body to release the hormone Acth, to prepare the body for quick response

OBJECTIVE 2

Distinguish between positive and negative stress. Write "P" in the blanks before positive stressors and an "N" in the blanks before the negative stressors.

_____ 1. Marlene has been elected to the honor society of her school and will be expected to keep her grades high to keep up her membership.

_____ 2. Jim's father underwent heart surgery and Jim must decide who will care for his father after he leaves the hospital.

_____ 3. The company for which Sam works has recently promoted him to Sales Manager. This means relocating his family, purchasing a home in a new city and enrolling his children in new schools.

_____ 4. Mario has achieved a goal of surpassing his personal swim record for the 100 meter freestyle stroke.

_____ 5. Gene's supervisor at work has put him on a month's notice because of his repeated absences.

OBJECTIVE 3

Complete statements about physical reactions to stress. Write the correct letters in the blanks.

_______1. The stage when the body mobilizes for "fight or flight" is

a. Resistance
b. Alarm
c. Exhaustion

_______2. Hormones from endocrine glands are released during

a. Stage 1
b. Stage 2
c. Stage 3

_______3. If the body is unable to repair itself from stress it is plunged into

a. Sleep
b. Frenzy
c. Exhaustion

_______4. If a stressor does not go away the body cannot repair the damage and must remain

a. Alert
b. Daydreaming
c. Asleep

_______5. During this stage the pulse rate increases, there is elevation of blood sugar, increase in perspiration and dilation of pupils

a. Stage 1
b. Stage 2
c. Stage 3

OBJECTIVE 4

List ten causes of stress.

____

____

____

____

____

____

____

____

____

____

OBJECTIVE 5

Distinguish between types of personalities. Place an "A" before characteristics which are associated with "Type A" personalities and a "B" before characteristics of "Type B" personalities.

______1. Achievement oriented

______2. Chronic sense of urgency

______3. Less prone to anger

______4. Restless

______5. Competitive

______6. Seldom impatient

______7. Easy going

______8. Moderate work and speech pace

______9. Does more than one thing at a time

______10. Impatient

______11. Relaxed

______12. Enjoys avocational pursuits or recreation

OBJECTIVE 6

Select from the following list time management skills. Write an "X" in the blank before each correct answer.

______1. If you have time during the day to relax, you are wasting too much time.

______2. Once a procrastinator, always a procrastinator.

______3. A critical overhaul of where you live, work and play is important in time management.

______4. Reducing procrastination can be done by not lingering over coffee, cokes or cigarettes.

______5. Saying "no" when asked to do too many tasks will only make you unpopular.

______6. It is helpful to know the time of day, or week, when you are at your best.

______7. Organizing your time includes studying tasks and when possible eliminating, combining, modifying, substituting, exchanging or dovetailing them.

______8. Unless you do all of the daily tasks yourself, they won't be done right.

______9. Some ways to stretch time are using telephones for information, ordering by mail, hiring help or trading services or tasks.

OBJECTIVE 7

Evaluate physical stress management skills. Write the correct letters in the blanks.

______1. Because of the rewards of exercise, a person feels better about him or herself.

a. True
b. False

______2. Regular exercise helps improve the ability to cope with stress.

a. True
b. False

______3. Relaxing and doing nothing is always just a waste of time.

a. True
b. False

______4. A person should take short relaxation breaks during the day.

a. True
b. False

______5. Junk food and refined sugar are the best choices for quick energy.

a. True
b. False

______6. Running, walking, swimming and bicycling are aerobic activities.

a. True
b. False

______7. The best activity to strengthen the heart is weight lifting.

a. True
b. False

______8. The body needs a chance to

a. Slow down and rest
b. Reach the point of exhaustion in order to excel

______9. Sometimes the body needs to just relax and not do anything to allow time to be free from

a. Family members
b. Stress

______10. Aerobic exercise helps the body use oxygen more efficiently and strengthens the heart and lungs.

a. True
b. False

OBJECTIVE 8

List five positive and five negative ways of coping with stress.

Negative:

____

____

____

____

____

Positive:

____

____

____

____

____

OBJECTIVE 9

Select from a list statements about using assertiveness in managing stress. Write an "X" in the blank before each correct answer.

______1. One of the primary causes of stress is the "saving up" of negative feelings.

______2. When a person acts assertively, it will probably alienate him or her from friends.

______3. Learning to be assertive is extremely helpful, because small problems are solved before negative feelings become pent-up.

______4. If a person does not express feelings, they may stay buried inside until they are expressed strongly by a person abusing another person, getting a divorce, quitting a job or acquiring an emotional or physical illness.

______5. Being specific about his or her own needs is very selfish.

______6. Even non-verbal behavior can be assertive.

______7. When it is appropriate, express empathy for the other person's feelings or position.

______8. The best way to act when someone attacks you with a judgmental statement is to match it with a worse statement about him or her.

OBJECTIVE 10 **List twelve signs of crises which indicate a need for outside assistance.**

OBJECTIVE 11 **List sources for outside help in a crisis.**

NOTICE The following assignment sheet is not part of the written test. If this activity has not been completed, check with the instructor.

OBJECTIVE 12 **Evaluate a stressful situation.** SCORE ______

WRITTEN TEST ANSWERS

MANAGING STRESS

X

OBJECTIVE 1

1. d
2. l
3. k
4. b
5. a
6. j
7. c
8. i
9. h
10. f

OBJECTIVE 2

1. P
2. N
3. P
4. P
5. N

OBJECTIVE 3

1. b
2. a
3. c
4. a
5. a

OBJECTIVE 4

Answer should include ten of the following:

- Adjusting to new community, school or job
- Being in poor shape physically
- Daily annoyances such as traffic or lost keys
- "Empty nest" syndrome when adult children leave home
- Family problems
- Financial problems
- Holidays
- Inability to get along with others
- Inability to reach personal goals
- Injury
- Job-related problems with boss, co-workers or supervisor
- Legal problems
- Loss of a loved one
- Major changes in lifestyle, such as a new baby or retirement
- Meeting new challenges
- Poor eating habits
- Pregnancy
- Sexual difficulties
- Too many things to do and not enough time

OBJECTIVE 5

1. A
2. A
3. B
4. A
5. A
6. B
7. B
8. B
9. A
10. A
11. B
12. B

OBJECTIVE 6

3, 4, 6, 7, 9

OBJECTIVE 7

1. a
2. a
3. b
4. a
5. b
6. a
7. b
8. a
9. b
10. a

OBJECTIVE 8

Negative behaviors:

- Abuse of drugs, tranquilizers or alcohol
- Overeating, undereating or eating non-nutritious foods
- Smoking
- Drinking high caffeine liquids
- Withdrawing psychologically — escapism
- Withdrawing physically — isolation, absenteeism, suicide
- Abuse of others verbally, emotionally, physically or sexually

Positive behaviors:

- Building up resilience toward stress through proper diet, exercise, deep breathing, relaxation; striving for good health or "wellness"
- Nurturing and using the healthy relationships in a person's life, therefore having a strong support system of friends, co-workers and family members
- Practicing good time management habits, with a healthy balance of time spent relaxing and working
- Acting assertively to change stressful situations
- Using healthy "diversions," like listening to music, taking walks and going on short trips
- Taking control over the stressor by changing the perception of it
- After all means have been tried and the stressor is still taking hold of a person's life, it may be necessary to leave the stressful situation and seek healthier opportunities

OBJECTIVE 9 1, 3, 4, 6, 7

OBJECTIVE 10 Answer should include twelve of the following:

- Abuse of children, spouse or others physically, emotionally, verbally or sexually
- High anxiety level for a prolonged time
- Anxiety attacks with high pulse rate and difficulty breathing
- Change in appetite
- Chronic fatigue
- Considering suicide
- Constant crying
- Decreased social activity
- Depression
- Difficulty sleeping or sleeping too much
- Dizziness
- Drug abuse
- Excessive drinking of alcohol
- Feelings of hopelessness
- Feelings of not being able to cope
- Getting angry over little things
- Inability to relax
- Excessive irritability
- Lack of interest in food, sex or life in general
- Physical complaints such as chronic headaches or stomachaches
- Trouble concentrating on one thing at a time
- Unreasonable fears

OBJECTIVE 11

- AIDS Hotline
- Alcohol Abuse Hotline
- Cocaine Abuse Hotline
- Drug Abuse Hotline
- Run-Away Hotline
- Child Find of America, Inc.
- Child or Adult Abuse Hotline
- Youth Crisis and Runaway Hotline

OBJECTIVE 12 Refer to answers to Assignment Sheet 1.

OBJECTIVE SHEET

RECOGNIZING SUPERVISORY SKILLS XI

INTRODUCTION

Supervisors are one level of management on the organizational chart. They are usually responsible for daily operations and problems at the workplace. A supervisor understands how to get the job done and maintain open communications between management and staff. They are leaders with the ability to make decisions. Supervisors possess other characteristics essential to the job functions which are dictated by the goals of the organization. If you aspire to a supervisory position, this unit will introduce the skills necessary for such a move. Preparation is crucial for success, but dedication, cooperation and enthusiasm will influence promotion. Mastery of the information in this unit could change your future.

UNIT OBJECTIVE

After completing this unit, the student should be able to define and describe the duties of a supervisor. The student will demonstrate these competencies by completing assignment sheets and written tests with a minimum of 85% accuracy.

PREREQUISITES

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with supervisory skills to their correct definitions.
2. Identify the characteristics of a good leader.
3. Distinguish among three styles of leadership.
4. Describe the most effective methods for giving orders, instructions and directions.
5. Select the skills needed by a supervisor.
6. Distinguish between the advantages and disadvantages of delegating duties.
7. Arrange in order the steps in a training system.
8. Differentiate between desirable and undesirable supervisory traits. (Assignment Sheet 1)

9. Identify supervisory skills. (Assignment Sheet 2)

10. Analyze a case study to determine the correct supervisory decision-making process. (Assignment Sheet 3)

PREPARATION

- Order materials to supplement unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.
- Plan additional tasks to be covered in classroom presentations.
- Invite guest speakers to discuss supervisory skills.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment that will be needed for the unit.
- Order films, videotapes and other media.
- Have a panel of supervisors discuss their jobs, the advantages and disadvantages, likes and dislikes, etc. and answer questions from students.
- Invite a motivational speaker to explain the process of motivation and how to motivate workers.

DELIVERY

Objective 1

- Discuss unit terms.
- Show video "Inside Corporate America."

Objective 2

- Use Transparency Master 1, "Twelve Qualities of a Good Leader."
- Use Transparency Master 2, "Oreo Cookie Critique."
- Have students role play a situation in which a sales clerk is rude to a customer, and the supervisor must reprimand the clerk. Utilize qualities given on transparencies.

Objective 3

- Use Transparency Master 3, "Leadership Styles."

Objective 4

- Use Teacher Supplement 1, "Giving Orders, Directions, and Instructions."

Objective 5

- Show video "The Correct Way of Correcting."
- Use Transparency Master 4, "Feedback."
- Use Transparency Master 5, "Implications for Managers."
- Use Transparency Master 6, "Implications for Managers (Continued)."
- Use the publication *Building Basic Management Skills Instructor's Guide*.

Objective 6

- Show video "Getting Work Done," Module 3 in "Successful Supervision."

Objective 7

- Have students use their completed training plans from their files and compare with steps in training, Objective 7.

APPLICATION

Objective 8

- Use Assignment Sheet 1 to distinguish between desirable and undesirable supervisory traits.

Objective 9

- Use Assignment Sheet 2 to identify the supervisory skills.

Objective 10

- Use Assignment Sheet 3 to solve a supervisory case study.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate actions listed in the specific objectives.
- Give the written test.

  NOTE: The written test may be given in sections if desired.
- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Publications

- *Building Basic Management Skills*

  NOTE: This publication may be ordered from the U.S. Small Business Administration, Office of business Development, 1441 L. Street, Room 317, Washington, D.C. 20416.
- *Supervising the Young Worker*

  NOTE: This publication may be ordered from the National Child Labor Committee, 1501 Broadway, Room 1111, New York, New York 10036.

- Other publications may be obtained from U.S. Small Business Administration, Office of Business Development, 1441 L. Street, Room 317, Washington, D.C. 20416.

Audiovisual Materials

- *Inside Corporate America*

  NOTE: This video may be ordered from Modern Talking Public Service, 5000 Park Street North, St. Petersburg, Florida 33709, (813) 541-5763.

- *Successful Supervision*, Module 3, "Getting Work Done."

- *The Correct Way of Correcting*

  NOTE: These videos are available to Oklahoma teachers on a free-loan basis. Oklahoma teachers may order the videos from the Media Resource Center, Oklahoma Department of Vocational and Technical Education, 1500 W. Seventh Avenue, Stillwater, OK 74074.

UNIT REFERENCES

- Boyd, Bradford. *Management-Minded Supervision*. New York: McGraw-Hill, 1986.
- Broadwell, Martin M. *Moving Up to Supervision*. New York: John Wiley & Sons, Inc., 1986.
- Broadwell, Martin M. *Supervisory Handbook*. New York: John Wiley & Sons, Inc., 1985.
- "Hip Pocket Manual for Supervisors of Young Workers." New York: National Child Labor Committee, 1964.
- Josefowitz, Natasha. *You're the Boss*. New York: Warner Books, 1985.
- Varner, Walter, E. and Ellen I. Newcombe. *The Worksite Supervisor*. Baltimore, Maryland: Maryland State Department of Education, September 1982.

PRETEST ANSWERS

RECOGNIZING SUPERVISORY SKILLS XI

OBJECTIVE 1	1. e 2. g 3. b 4. a	5. f 6. c 7. d
OBJECTIVE 2	Evaluated to the satisfaction of the instructor.	
OBJECTIVE 3	1. F 2. D 3. A	4. A 5. F
OBJECTIVE 4	1. E 2. I	3. E 4. E
OBJECTIVE 5	1. b 2. a 3. b	
OBJECTIVE 6	1. A 2. D	3. D 4. A
OBJECTIVE 7	6 3 1 5 4 2	
OBJECTIVE 8-10	Refer to answers to Assignment Sheets 1 through 3.	

PRETEST

RECOGNIZING SUPERVISORY SKILLS

XI

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with supervisory skills to their correct definitions. Write the correct letters in the blanks.

______1. Work together

______2. Get a message across to another person

______3. Achieving maximum productivity with as little waste as possible

______4. Intangible, saleable asset representing the reputation of a business and it's relationship with its customers

______5. Assign a duty and the authority for completion of that duty, to another person

______6. The right to command, act or influence

______7. The ability to lead or direct others to achieve the goals of the business

a. Good will

b. Efficiency

c. Authority

d. Leadership

e. Collaborate

f. Delegation

g. Communicate

h. Motivation

i. Productivity

j. Job analysis

OBJECTIVE 2

Identify the characteristics of a good leader. List three characteristics of a good leader.

1. ______________________________

2. ______________________________

3. ______________________________

OBJECTIVE 3

Distinguish among three styles of leadership. Identify the following styles of leadership by writing an A for autocratic, a D for democratic and an F for free rein.

______1. Depends entirely on others to get the job done

______2. Shows consideration for others

______3. Characterized by close supervision

______4. Gives more emphasis to getting the job done than to the feelings of others

______5. Most effective with individualistic persons who will assume the responsibility of working alone

OBJECTIVE 4

Describe the most effective methods for giving orders, instructions and directions. Read the following orders and write **E** if they are effective and **I** if they are ineffective orders.

______1. Jim demonstrates to Frank the method for filling out the new shipping and receiving forms.

______2. "Get busy on that order right now!"

______3. "This paper needs to be mailed today. Can you finish typing it by 2 p.m.?"

______4. The supervisor has the employee repeat the instructions that he has been given, then clears up any misunderstanding.

OBJECTIVE 5

Select the skills needed by a supervisor. Write the correct letters in the blanks.

______1. An evaluation of work performance is ___.

a. a test
b. an appraisal
c. a period of probation

______2. A form of exchanging information which may be in oral or written form

- a. communication
- b. delegation
- c. collaboration

______3. Assigning a job to someone else and giving him/her the authority to get the job done

- a. training
- b. delegation
- c. controlling

OBJECTIVE 6 **Distinguish between the advantages and disadvantages of delegating duties.** Place an **A** by the statements which are advantages of the skill of delegation. Place a **D** by the statements which are disadvantages of delegation.

______1. Challenges employee

______2. Costly mistakes might result

______3. May be used as a method of dumping unwanted work on another

______4. May result in new or better ideas

OBJECTIVE 7 **Arrange in order the steps in a training system.** Write a "1" in front of the first step, a "2" in front of the second step, and so on.

______Provide opportunities for feedback.

______Describe/demonstrate to familiarize worker with task.

______Prepare the trainer.

______Repeat demonstration if necessary and reinforce learning.

______Have employee describe and demonstrate tasks.

______Get the worker ready for training.

NOTICE In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives:

OBJECTIVE 8	**Differentiate between desirable and undesirable supervisory traits.**	SCORE ______
OBJECTIVE 9	**Identify supervisory skills.**	SCORE ______
OBJECTIVE 10	**Analyze a case study to determine the correct supervisory decision-making process.**	SCORE ______

INFORMATION SHEET

RECOGNIZING SUPERVISORY SKILLS XI

OBJECTIVE 1

Match terms associated with supervisory skills to their correct definitions.

- **Authority** — The right to command, act or influence

  NOTE: There are several types of authority. "Legal" authority gives one the responsibility for producing specified results. "Competency" authority is based on one's competency or expertise. "Delegated" is the authority to give work assignments.

- **Collaborate** — Work together
- **Communicate** — Get a message across to another person
- **Coordinate** — Combine the resources of the firm in order to work in harmony toward a common goal
- **Dedication** — Attitude of being committed to an idea
- **Delegation** — Assign a duty and the authority for the completion of that duty, to another person
- **Efficiency** — Achieving maximum productivity with as little waste as possible
- **Feedback** — Return of information to its original source through some form of communication
- **First-line supervisor** — Person who directs activities of employees in the daily operations and problems, and is responsible for departmental operations; first line of management
- **Good will** — Intangible, saleable asset representing the reputation of a business and it's relationship with its customers
- **Human relations** — Refers to how well people get along with each other

- **Job analysis** — Examines the functions necessary for the performance of each job
- **Job description** — Lists objectives and responsibilities of the job, the work to be done, the skills necessary for the job, working conditions, and how it relates to other jobs
- **Job design** — Matching individuals with certain abilities to jobs requiring those abilities
- **Job enlargement** — Rotation of an employee through several work areas to vary the tasks performed and reduce boredom on the job
- **Job enrichment** — Involvement of employees in decision-making throughout the organization and operation of company
- **Job specification** — A written description of special qualifications required to fill a certain job
- **Leadership** — The ability to lead or direct others to achieve the goals of the business
- **Motivation** — The drive or impulse that causes enthusiasm toward work
- **Organization chart** — Visual aid illustrating the structure of a business
- **Performance appraisal/review** — Documented evaluation of an employee, which determines his/her ability to handle the work.

  NOTE: It may also be called a performance review, annual review, evaluation; can be an informal oral evaluation.
- **Productivity** — Efficiency with which we use our resources: manpower, facilities and raw materials; getting the most out of every dollar invested
- **Profitability** — Degree to which a decision or act will result in increased profits for the company

OBJECTIVE 2

Identify the characteristics of a good leader.

Have you ever been treated rudely by a sales clerk in a department store or by a waiter in a restaurant? Would you go back to that place of business or would you complain to the supervisor or manager? The rude behavior may be caused because that employee is dissatisfied with his job. Management has realized that the success or failure of a business depends greatly on its employees.

The workers and their needs are very important to business success, so money is spent to improve working conditions and to develop supervisors who are not only good leaders, but who can motivate their employees and deal with human relations problems which may arise periodically.

An effective leader should possess certain characteristics in order to direct others to achieve the goals of the company.

The following is a list of these characteristics:

- Sets a good example
- Treats everyone as an individual; lets them know they are important; does not show favoritism
- Gets results through others
- Gives credit where credit is due
- Welcomes suggestions for improvement
- Suggests or requests rather than commands
- Lets employees know where they stand, suggests ways to improve
- Reinforces good performance, corrects poor performance
- Asks questions before reprimanding, criticizes in private
- Keeps promises
- Leads rather than bosses
- Lets employees know in advance about changes that affect them

- Plans program of work, sets priorities, and plans time schedules so tasks are accomplished quickly

OBJECTIVE 3 **Distinguish among three styles of leadership.**

There are three commonly recognized styles of leadership: the autocratic, the democratic, and the free rein styles. The most successful leader uses all three types of leadership, depending on the circumstances and the people involved. The person who uses only one style will have trouble, due to the individual differences of the people in the work group. Certain personalities seem to require different types of leadership.

1. ***Autocratic***
   - Does all the planning, organizing, controlling and coordinating
   - Gives more emphasis to getting the job done than to the feelings of others
   - Characterized by close supervision
   - Used most effectively with hostile or insecure persons or in a binding situation
2. ***Democratic***
   - Shows consideration for others
   - Listens to and uses good ideas from others
   - Characterized by general supervision
   - Defines goals and lets workers use their judgment to some extent about how to do their jobs
   - Checks with workers periodically to reward or make necessary corrections
   - Knows workers well enough to know when this style of leadership can be used
   - Used most effectively with cooperative persons; works well with established employees and methods

3. ***Free Rein***

- Most effective with individualistic persons who will assume the responsibility of working alone
- Passes on information and directions from higher authority
- Depends entirely on others to get the job done

OBJECTIVE 4 **Describe the most effective methods for giving orders, instructions and directions.**

The supervisor who wishes to give clear orders, instructions and directions will prepare in advance the best method for giving information in a clear and concise manner. This means thinking through the orders to be given and making sure that the meaning is clear to the employee.

The supervisor may ask politely that the orders be repeated by the worker, so there is no doubt that the message was correctly received.

Giving examples and demonstrations may increase the worker's understanding of the task. Sometimes, it is helpful or necessary to number or letter the steps needed to complete the work. However, the supervisor should be careful to avoid unnecessary details.

Complete information should be given: who, what, where, when, why, and how. The standard that is expected should be given. It is important to state information in a positive manner, then allow for feedback at the time of the order and periodically after that.

"Order-giving techniques generally fall into one of two classifications—a request or a demand. The former usually yields better results and is a more pleasant approach to use."

OBJECTIVE 5 **Select the skills needed by a supervisor.**

People who are responsible for their own work performance, or their part of a group work performance are called employees, workers, or subordinates. The person who must get the work done through these employees or workers is the supervisor.

It is the supervisor's responsibility to get the work done by directing others instead of personally doing the work. The first-line supervisor is judged by how others perform, so it is essential for the supervisor to possess the following skills:

1. **Delegation** — The essential element in getting work done through others.

   NOTE: When an activity is delegated to another person, it may be for an extended time or until a project is completed.

2. **Training** — Responsibility of the supervisor; the employees must be trained to do their jobs and they should understand that the training is a natural part of development as an employee.

   NOTE: Feedback that guarantees learning should be encouraged. This is a method of checking to be sure the training has been successful.

3. **Controlling** — Allows supervisors to know how well the workers and company are doing and what changes, if any should result. Controls, such as budgets, are tools that keep management abreast of what is happening. Supervisors have the responsibility of telling middle management and their own workers how they are doing in regard to controls.

4. **Communicating** — Oral and written communication is essential to successful supervision. Listening is also part of the communication process. Supervisors who cannot listen will not get the feedback that is necessary for good supervisor/worker relations.

5. **Motivation** — An ability that is an important supervisory skill, motivation is needed to create within the worker the spark of enthusiasm for a project, their jobs, quality of work, and working with a team.

6. **Appraising** — Necessary because every worker needs to know how his job performance is viewed by the supervisor. Workers should be told their weaknesses and strengths, so they have a chance to grow and improve.

   NOTE: The appraisal can be used as a means to improve job performance, and there should be guidance and follow-up during the time preceding the next appraisal.

OBJECTIVE 6

Distinguish between the advantages and disadvantages of delegating duties.

The advantages of delegation are as follows:

- Gives individual freedom of action
- Making decisions means growth for that employee
- If subordinate does well, supervisor shares credit
- Shared responsibilities
- Utilizes manpower
- Increases productivity
- Improves job satisfaction
- Provides basis for corrective actions and decisions
- Enhances promotion possibilities
- Responsibility carries with it the granted authority for fulfillment
- Challenges employees
- Utilizes human resources to the maximum
- Can ease employee into greater job requirements and responsibilities
- Great training method
- Allows assessment of certain areas, such as conducting meetings, writing letters, handling employee situations
- Allows worker who has failed to try again
- May create new or better ideas

The disadvantages of delegation are:

- May be used as a dumping ground for unpleasant tasks
- Gives others the right to make supervisory decisions

- Subordinate's mistakes are supervisor's mistakes
- Costly mistakes might result
- Supervisor loses control of activity
- May be seen as just another way to appraise employee
- May be beyond employee's level of competence
- May create strife if responsibility is given to a poor performer rather than a proven hard worker
- May delegate to someone who is not challenged by the assignment because of their skill level
- Might violate work or safety rules
- Follow-up and evaluation may be neglected
- May delegate to the same person all the time

OBJECTIVE 7 **Arrange in order the steps in a training system.**

Training affects the results that are achieved in production, quality, costs, methods, morale, and safety. A supervisor may delegate the training to another, but the responsibility for a well-trained work force still rests on his/her shoulders.

The steps in training are:

1. Prepare the trainer.
    a. Break the job down into tasks.
    b. Break the tasks into steps.
    c. Determine the competencies needed; knowledge, skill ability, judgment, effort.
    d. Identify safety precautions.
    e. Develop a training plan.
    f. Set a realistic schedule for the employee to follow.

    g. Provide equipment and supplies and arrange work site.
    h. Check out everything.
2. Get the worker ready for training.
3. Describe/demonstrate to familiarize worker with task.
4. Have employee describe and demonstrate tasks.
5. Repeat demonstration if necessary and reinforce learning.
6. Provide opportunities for feedback.

GIVING ORDERS, DIRECTIONS, AND INSTRUCTIONS

1. Choose one person in the class to describe the design on the following page (Figure 1). The rest of the class should try to draw the object exactly like the original design. The participants are not allowed to see the design.

2. Repeat the activity using the second design (Figure 2), but this time allow the participants to ask questions.

3. Think of a situation on your job where you may need to give directions, orders, and/or instructions. Organize your thoughts below and then give the instructions or directions to the class. Let your classmates rate and discuss the effectiveness of your directions or instructions using the following questions.

   a. Were the directions or instructions clear? Why or why not?

      ____

      ____

   b. Were the directions in an order that could be followed easily if you knew nothing about the product, service, or procedure beforehand?

      ____

      ____

   c. Were there any unnecessary points made? If so, how could they be eliminated?

      ____

      ____

   d. What were the clues that the right directions or instructions were followed?

      ____

      ____

      ____

      ____

FIGURE 1

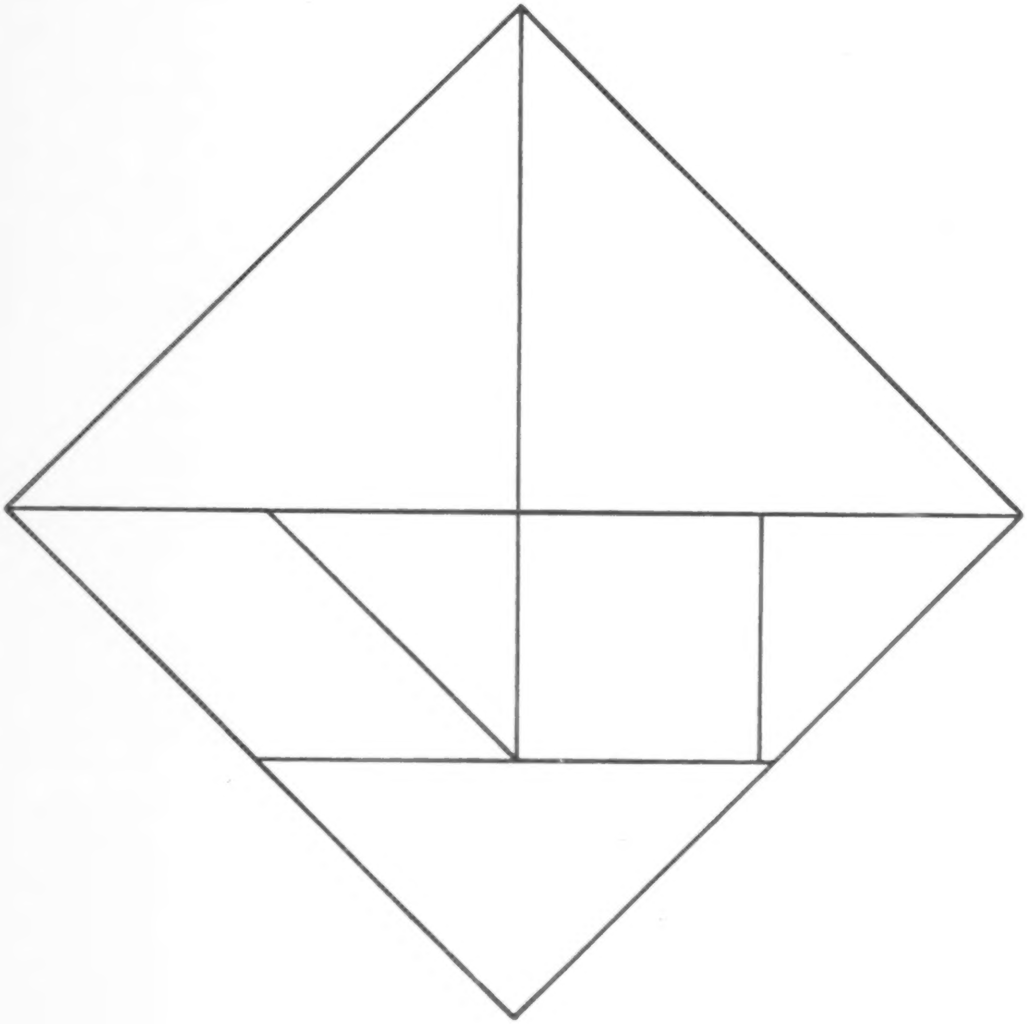


FIGURE 1

573

FIGURE 2

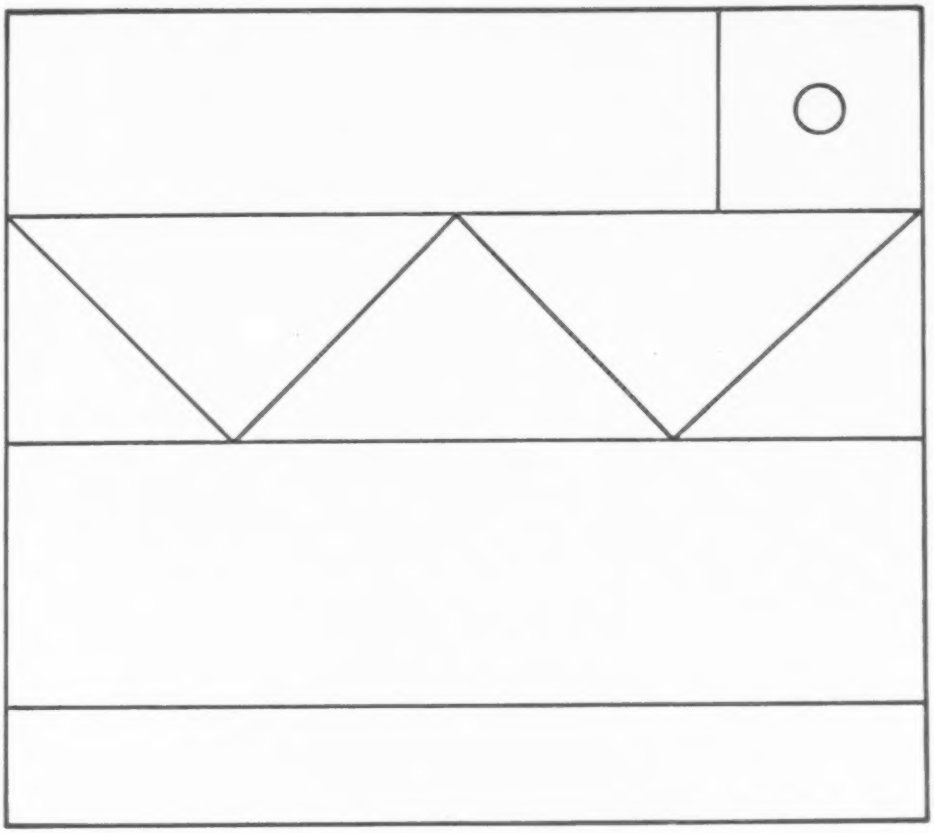
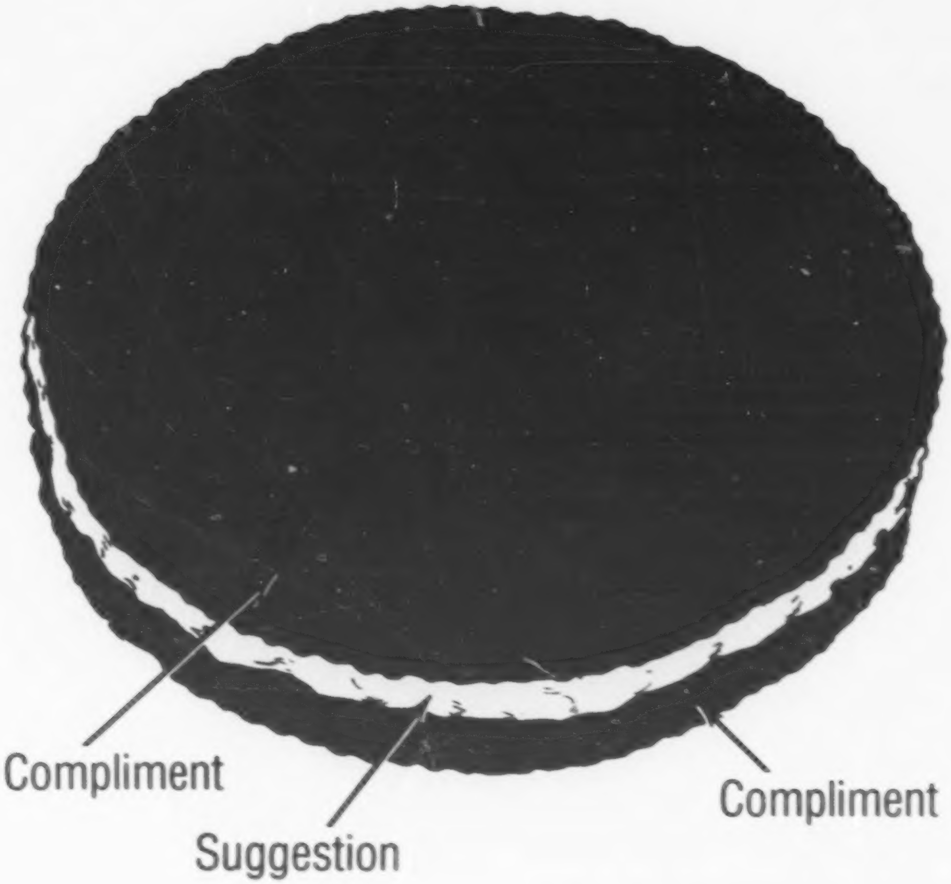


FIGURE 2

Twelve Qualities of a Good Leader

1. Sets a good example
2. Treats everyone as an individual, lets them know they are important; does not show favoritism
3. Gets results through others
4. Gives credit where credit is due
5. Welcomes suggestions for improvement
6. Suggests or requests rather than commands
7. Lets employees know where they stand, suggests ways to improve
8. Reinforces good performance, corrects poor performance
9. Asks questions before reprimanding, criticizes in private
10. Keeps promises
11. Leads rather than bosses
12. Lets employees know in advance about changes that affect them

Oreo Cookie Critique

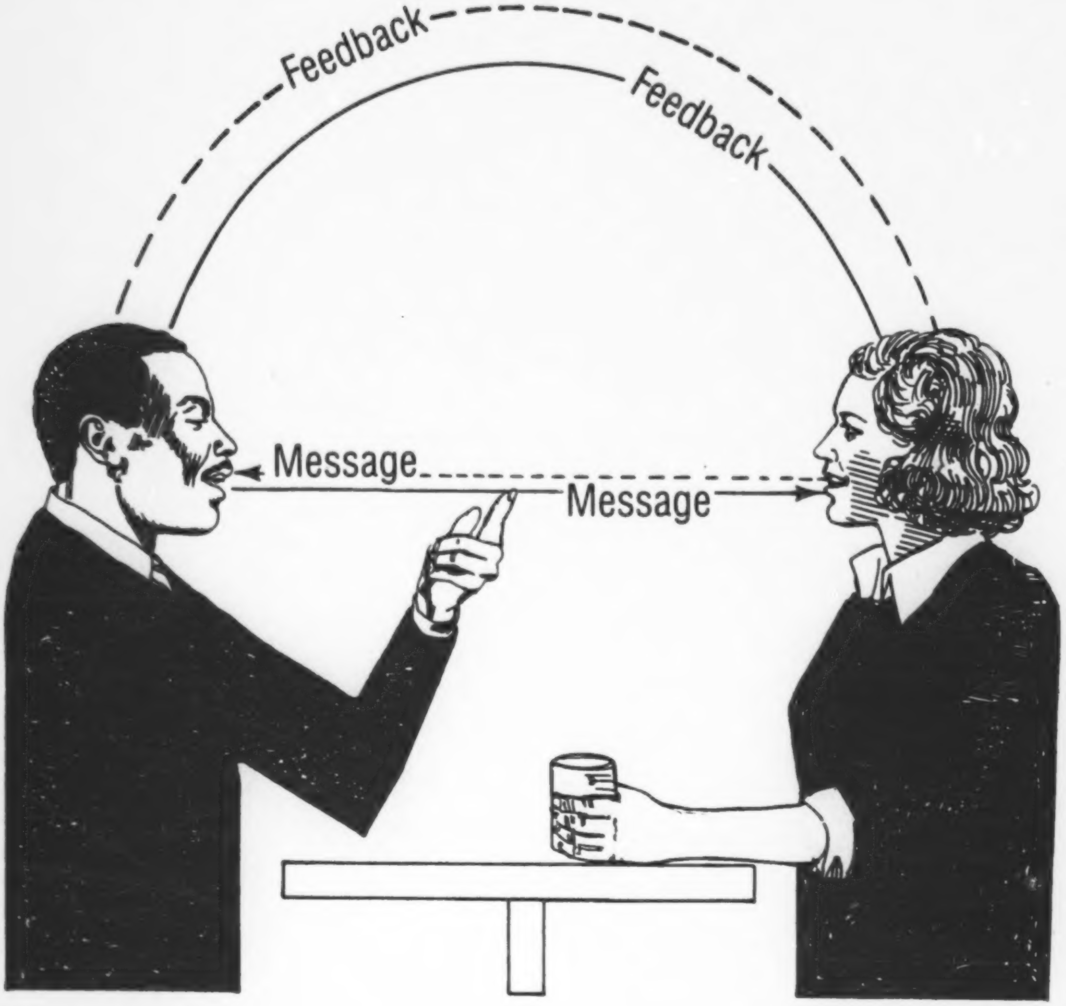

Compliment
Suggestion
Compliment

BEST COPY AVAILABLE

Leadership Styles

autocratic
democratic
free-rein

Feedback


Feedback
Feedback
Message
Message

Implications for Managers

- Motivation does not mean doing things to or for people. It involves mixing (combining) the organization's goals together with the individual's desires and needs.

- Motivation . . . is in the eye of the beholder. One person's joy is another person's poison.

- Managers must look for constants (likenesses) in the workforce but provide for personal differences of each employee.

- People are not elevators with hot buttons. There is no laundry list of satisfiers that can be matched with a list of needs.

- The most realistic and most effective motivator is the job itself. Salary increases are less effective than the personal feeling of the employee that his or her job or work is making a valued contribution to the organization and that this job is satisfying personal goals.

TM 6

Implications for Managers
(Continued)

- Workers want to satisfy a range of needs rather than satisfy one or two. Managers must provide for job enlargement and job enrichment.
- Employees are motivated when managers compliment good performance and express positive attitudes.
- There is no need to dissect employees. No manager has the right to psychoanalyze employees.
- An experimental approach is a must. Be an understanding friend; observe performance and measure the results; select techniques for improvement; implement your plan, adapt or modify as you continue to observe performance and measure results.
- The best way to influence the thinking of others is to be open to others' ideas. Allow employees to influence (motivate) you. Whenever they see that their ideas are valued, they will begin to value management's recommendations.

NAME ______________________________

DESIGNING AN EVALUATION INSTRUMENT

PART I

Design a performance evaluation instrument for the position of your choice.

PART II

Choose a partner. One will be the employer, the other the employee in a role-play situation. Using the performance evaluation form created in Part I, role-play the evaluation process, both written and oral.

Language Skills
- State ideas clearly

Interactive Communication Skills
- Apply questioning techniques
- Communicate with professional colleagues/associates

Cognitive Activity Skills
- Create a finished product
- Develop an action plan
- Transfer knowledge/training to new situations

ASSIGNMENT SHEET 1

RECOGNIZING SUPERVISORY SKILLS

NAME ______________________ SCORE ______

OBJECTIVE 8 **Differentiate between desirable and undesirable supervisory traits.**

INTRODUCTION Managers at the supervisory level spend most of their time dealing in daily operations with employees. For this reason, it is important for all supervisory managers to develop desirable human relations practices. In this assignment, you will be required to determine which of the practices listed are desirable supervisory traits and which are undesirable supervisory traits. Place an "X" in the appropriate column below.

General Relating Skills
- Apply information to life experiences

Job Acquisition/ Development Skills
- Deal effectively with professional colleagues/ associates

Social Studies Application Skills
- Investigate/apply principles of psychology
- Investigate/apply principles of ethics

TRAIT	DESIRABLE	UNDESIRABLE
A. Become anxious about getting the job done		
B. Criticize constructively		
C. Ignore suggestions		
D. Assume authority that has not been given		
E. Consider the feelings of others		
F. Show genuine concern for others		
G. Criticize privately		
H. Give praise in public		
I. Be willing to assume responsibility		
J. Give up when the going gets tough		

	TRAIT	DESIRABLE	UNDESIRABLE
K.	Arrive at work on time.		
L.	Change company rules to meet your needs		
M.	Be open-minded and progressive		
N.	Show loyalty to company		
O.	Procrastinate when meeting report deadlines		

ASSIGNMENT SHEET 2

RECOGNIZING SUPERVISORY SKILLS

NAME ______________________________ SCORE ________

OBJECTIVE 9 **Identify supervisory skills.**

DIRECTIONS In the following situations, name the supervisory skills being used: delegating, training, controlling, communicating, motivation, or appraising.

General Relation Skills
- Apply information to life experiences

Cognitive Activity Skills
- Transfer knowledge/ training to new situations

Job Acquisition/ Development Skills
- Develop effective leadership

Social Studies Application Skills
- Investigate/apply principles of psychology
- Investigate/apply principles of ethics

____________ 1. At the end of the month, a $100.00 cash bonus will be given to each member of the team that increases it's productivity, while maintaining a perfect safety record.

____________ 2. This month's production schedules are posted and each department is asked to give the supervisor last month's production reports and records. This allows the supervisor to know how well the workers and the company are doing, so the information can be passed on to higher management.

____________ 3. Fred is called in for a periodic review and evaluation of his job performance.

____________ 4. Feedback is an important part of this skill.

____________ 5. The supervisor introduces the new worker, Molly, to an experienced employee, Kary. Kary is given the assignment of training Molly for her job and providing the supervisor with an appraisal of Molly's performance at the end of the six-month probation period.

____________ 6. A new machine has been installed and the shop foreman will conduct classes during the next three days, for those who will be operating it.

____________ 7. The supervisor and one of his workers are sitting in the supervisor's office. The worker is describing an idea of his which would increase productivity in his area. The supervisor listens carefully to the worker.

ASSIGNMENT SHEET 3

RECOGNIZING SUPERVISORY SKILLS

XI

NAME ______________________________ SCORE ________

OBJECTIVE 10

Analyze a case study to determine the correct supervisory decision-making process.

INTRODUCTION

Managers are faced with problems every day. A good manager is able to identify those problems and work them through to effective solutions. There is no guarantee that the decision made will be the right one every time; however, managers are less likely to make impulsive judgments if they use an established decision-making process. Read the situation below and complete the steps of the decision-making process.

PART 1 Case Study

Your best salesperson and most promising future management trainee has become consistently tardy. About two weeks ago you visited with the employee, and she explained that she was having trouble trying to get everything done each morning before coming to work. Since she lost her husband, and since school had begun, it has been increasingly difficult for her to get to work on time. Although she is to report to work at 7:30 a.m., she is generally 15-20 minutes late each morning. Although she has been frequently tardy, she is a hard worker, and her total work performance far exceeds all other employees.

Last Tuesday, the freight truck arrived with an extra large shipment for your store. Your promising employee was 45 minutes late. This meant that the truck driver and other employees had to work feverishly to get the truck unloaded before customers began to enter the store. She explained that her younger child was ill with the flu all night and she was late getting around that morning.

Although she faces real personal/family problems and has been able to explain the causes of her tardiness, other employees think that she is receiving preferential treatment. Tension within the work group has continued to build since the truck-loading incident last week. This situation requires your immediate attention.

Reading Comprehension Skills
- React to written material

Leadership/Influencing Skills
- Analyze/apply leadership styles

Cognitive Activity Skills
- Devise a solution
- Develop an action plan

Job Acquisition/Development Skills
- Deal effectively with co-workers

PART 2 How would you react if you were the department manager?

A. Identify the real problem.

B. Gather information.

C. List possible solutions.

D. Evaluate probable results of each solution.

E. Decide on the best solution.

ASSIGNMENT ANSWERS

RECOGNIZING SUPERVISORY SKILLS

XI

ASSIGNMENT SHEET 1

A. Undesirable
B. Desirable
C. Undesirable
D. Undesirable
E. Desirable
F. Desirable
G. Desirable
H. Desirable
I. Desirable
J. Undesirable
K. Desirable
L. Undesirable
M. Desirable
N. Desirable
O. Undesirable

ASSIGNMENT SHEET 2

1. Motivation
2. Controlling
3. Appraising
4. Training
5. Delegation
6. Training
7. Communicating

ASSIGNMENT SHEET 3

Evaluated to the satisfaction of the instructor

Possible answers:

The manager should explain the problem that her tardiness is creating for the other workers and that they think she is receiving preferential treatment. Even though everyone is sympathetic to her problems, it is her responsibility to get to work on time.

A. The employee's tardiness

B. The employee has explained her reasons for being late, but she needs to know the attitude others have about her tardiness. The manager could ask the employee to gather information about babysitters or household help, in order to get to work on time.

C.
    1. Change worker's time schedule
    2. Suggest she get someone to assist her with work at home
    3. Fire her
    4. Tell her she must arrange things at home, so she can be on time

D. 1. Other's schedules would have to be adjusted if this employee's was changed

2. The ability of the employee to pay for additional help would be a big factor
3. Firing her would mean the company loses an excellent employee as well as creating a more difficult situation
4. Things would improve at work

WRITTEN TEST

RECOGNIZING SUPERVISORY SKILLS XI

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with supervisory skills to their correct definitions. Write the correct letters in the blanks.

______1. Work together

______2. Achieving maximum productivity with as little waste as possible

______3. Intangible, saleable asset representing the reputation of a business and it's relationship with its customers

______4. The right to command, act or influence

______5. Ability to lead or direct others to achieve the goals of the business

______6. Efficiency with which we use our resources: manpower, facilities and raw materials; getting the most out of every dollar invested

______7. Refers to how well people get along with each other

______8. Matching individuals with certain abilities to jobs requiring those abilities

______9. The drive or impulse that causes enthusiasm toward work

a. Appraising
b. Coordinate
c. Job enrichment
d. Efficiency
e. Good will
f. Motivation
g. Leadership
h. Delegation
i. Job analysis
j. Dedication
k. Efficiency
l. Collaborate
m. First-line supervisor
n. Productivity
o. Human Relations
p. Job description
q. Authority
r. Job enlargement

______10. Person who directs activities of employees in the daily operations and problems, and is responsible for departmental operations: first line of management

______11. Get a message across to another person

______12. Attitude of being committed to an idea

______13. Return information to its original source through some form of communication

______14. Involvement of employees in decision-making throughout the organization and operation of the company

______15. Visual aid illustrating the structure of a business

______16. Degree to which a decision or act will result in increased profits for the company

______17. Lists objectives and responsibilities of the job, the work to be done, the skills necessary for the job, working conditions and how it relates to other jobs

______18. Combine the resources of the firm in order to work in harmony toward a common goal

s. Communicate

t. Feedback

u. Job design

v. Organization chart

w. Profitability

OBJECTIVE 2

Identify the characteristics of a good leader. List five characteristics that an effective leader should possess.

1. ________________________________
2. ________________________________
3. ________________________________
4. ________________________________
5. ________________________________

OBJECTIVE 3

Distinguish among three styles of leadership. Identify the following styles of leadership by writing an **A** for autocratic, a **D** for democratic, and **F** for free rein.

______1. Does all the planning, organizing, controlling and coordinating

______2. Depends entirely on others to get the job done

______3. Most effective with individualistic persons who will assume the responsibility of working alone

______4. Characterized by close supervision

______5. Used most effectively with hostile or insecure persons or in a binding situation

______6. Checks with workers periodically to reward or make necessary corrections

______7. Defines goals and lets workers use their judgment to some extent about how to do their job

______8. Passes on information and directions from higher authority

______9. Shows consideration for others

_____10. Gives more emphasis to getting the job done than to the feelings of others

OBJECTIVE 4

Describe the most effective methods for giving orders, instructions and directions. In the following situations, write what you would say or do in order to give orders, instructions or directions in the most effective manner.

1. A new machine has been installed, and three workers are to be trained to use it. How will you instruct them most effectively?

2. A special order has to be shipped out by 3 p.m. It is necessary for four employees to leave their tasks and help with the order. What would you say to them?

3. A fire has started on the third floor. You must get the employees evacuated, but not start a panic. What are the exact words you would say?

4. You are delegating the duty of compiling the production records to Wayne. You know he can handle the task. How do you delegate to him the duty and the authority to do it?

5. The hotel where you are employed is expecting a visit from the board of directors. It is especially important that everything is in tip-top shape. If all goes smoothly while the directors are visiting, the hotel owner has promised a cash bonus to the staff members that are under your supervision. It is their responsibility to clean and refurbish the lobby and convention rooms. Write exactly what you would say to the people that you supervise, so they are motivated to do their best.

____

____

____

____

____

____

OBJECTIVE 5

Select the skills needed by a supervisor. Write the correct letters in the blanks.

______1. The essential element in getting work done through others.

a. Controlling
b. Training
c. Delegation

______2. Listening is part of this process.

a. Collaboration
b. Motivation
c. Communicating

______3. Evaluating work performance.

a. Appraising
b. Training
c. Controlling

593

______4. A form of exchanging information which may be in oral or written form.

a. Delegation
b. Training
c. Communication

______5. Assigning someone else a job, as well as the authority to get the job done.

a. Communication
b. Collaboration
c. Delegation

______6. Needed to create within the worker the spark of enthusiasm for a project, his/her job, quality of work and working with a team.

a. Motivation
b. Controlling
c. Training

______7. Teaching the workers to do their jobs.

a. Delegation
b. Training
c. Appraising

______8. An evaluation of an employee's weaknesses and strengths.

a. Communicating
b. Appraising
c. Controlling

______9. Allows the supervisor to know how well the company is doing and what changes, if any, should be made.

a. Controlling
b. Motivation
c. Delegation

_____10. Gives supervisor information to pass on to higher management.

a. Training
b. Communication
c. Controlling

OBJECTIVE 6

Distinguish between the advantages and disadvantages of delegating duties. Place an **A** by the statements which are advantages of the skill of delegation. Place a **D** by the statements which are disadvantages of delegation.

______1. Gives individual freedom of action

______2. Challenges employees

______3. Gives others the right to make supervisory decisions

______4. Great training method

______5. Follow-up and evaluation may be neglected

______6. May delegate to the same person all the time

______7. Utilizes human resources to the maximum

______8. Enhances promotion possibilities

______9. Provides basis for corrective actions and decisions

_____10. Increases productivity

OBJECTIVE 7

Arrange in order the steps in a training system. Write a "1" in front of the first step, a "2" in front of the second step and so on.

______Provide opportunities for feedback.

______Describe/demonstrate to familiarize worker with task.

______Prepare the trainer.

______Repeat demonstration if necessary and reinforce learning.

______Have employee describe and demonstrate tasks.

______Get the worker ready for training.

NOTICE The following assignment sheets are not a part of the written test. If these activities have not been completed, check with the instructor.

OBJECTIVE 8	**Differentiate between desirable and undesirable supervisory traits.**	SCORE ______
OBJECTIVE 9	**Identify the supervisory skills.**	SCORE ______
OBJECTIVE 10	**Analyze a case study to determine the correct supervisory decision-making process.**	SCORE ______

WRITTEN TEST ANSWERS | RECOGNIZING SUPERVISORY SKILLS XI

OBJECTIVE 1

1. l
2. d
3. e
4. q
5. g
6. n
7. o
8. u
9. f
10. m
11. s
12. j
13. t
14. c
15. v
16. w
17. p
18. b

OBJECTIVE 2

Any five of the following:

- Sets a good example
- Treats everyone as an individual, lets them know they are important; does not show favoritism
- Gets results through others
- Gives credit where credit is due
- Welcomes suggestions for improvement
- Suggests or requests rather than commands
- Lets employees know where they stand, suggests ways to improve
- Reinforces good performance, corrects poor performance
- Asks questions before reprimanding, criticizes in private
- Keeps promises
- Leads rather than bosses
- Lets employees know in advance about changes that affect them
- Plans program of work, sets priorities, and plans time schedules so tasks are accomplished quickly

OBJECTIVE 3

1. A
2. F
3. F
4. A
5. A
6. D
7. D
8. F
9. D
10. A

OBJECTIVE 4

Answered to instructor's satisfaction.

OBJECTIVE 5

1. c
2. c
3. a
4. c
5. c
6. a
7. b
8. b
9. a
10. c

OBJECTIVE 6

1. A
2. A
3. D
4. A
5. D
6. D
7. A
8. A
9. A
10. A

OBJECTIVE 7

6
3
1
5
4
2

OBJECTIVE 8-10

Refer to answers to Assignment Sheets 1 through 3.

OBJECTIVE SHEET

RECOGNIZING MANAGEMENT SKILLS

XII

INTRODUCTION

The success of a company depends on the manager. What a company will do and how well it performs are determined by decisions made by the manager. Regardless of the size of a company, there are certain functions that must be performed by all managers.

A knowledge of the basic principles of management is necessary in order to make wise business decisions.

UNIT OBJECTIVES

After completing this unit, the student should be able to describe the responsibilities involved in managing a business and use the information to function better as a manager in planning, organizing, directing and controlling a business. The student will demonstrate these competencies by completing assignment sheets and written test with a minimum of 85 percent accuracy.

PREREQUISITES

ICE First Year

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with principles of management to their correct definitions.
2. Distinguish between the levels of management.
3. Select from a list statements about the functions of management.
4. Match planning tools used by managers to their correct descriptions.
5. Complete statements about the characteristics of a good organization.
6. List steps in the decision-making process.
7. Distinguish between the functions of management. (Assignment Sheet 1)
8. Locate the tools used in the planning function. (Assignment Sheet 2)
9. Solve a management case study. (Assignment Sheet 3)

PREPARATION

- Order materials to supplement the unit.

  NOTE: See suggested resources and unit references.

- Study the specific objectives to determine those to be covered in lecture presentations.

- Plan additional tasks to be covered in classroom presentations.

- Invite guest speakers to discuss principles of management.

  NOTE: Provide guest speakers with unit objectives and information sheets before they meet with the class.

- Arrange for the use of all audiovisual equipment needed for the unit.

- Guest speakers

  1. Invite a representative from the Small Business Administration or Business Assistance Center to describe how the work of managers is different from that of other employees.
  2. Invite a panel of business people to discuss the role which good planning has in success.
  3. Have students invite their employers to speak to the class about the internal organization of their companies.
  4. Have the managers of both a large company and a small company explain the importance of their organization chart, and compare the two.

DELIVERY

Objective 1

- Discuss terminology with the students and let them ask questions.

Objectives 2 and 3

- Invite a representative from the Small Business Administration or Business Assistance Center to describe how the work of managers is different from those of other employees.

- Show the video *Careers in Administration and Management.*

- Show the video *Is a Career in Management for You?*

- Use Transparency Master 1, "Four Functions of Management."

- Have students collect articles from the local newspaper for a week. Select stories which show the different levels of management and/or the four functions of management.

- Use Transparency Master 2, "Communication Strategy."

Objective 4

- Distribute Handout 1, "Policies and Procedures."

- Use Transparency Master 3, "Planning Tools Used By Management."

Objective 5

- Use Transparency Master 4, "Internal Organization."

- Distribute Handout 2, "Line Organization;" and Handout 3 "Line and Staff Organization."

- Choose from the following videos to show the class.

    - *Careers in Administration and Management* which is one of a series of career videos

    - *Successful Supervision* which covers 1) Handling differences; 2) Praising workers; 3) Getting work done; 4) Correcting worker performances

Objective 6

- Have students construct a bulletin board on "Steps in Decision-making."

- Present a hypothetical problem and have the class go through the steps in the decision-making process and arrive at the best solution(s).
- Distribute Handout 4, "Problem Analysis."

APPLICATION

Objective 7

- Use Assignment Sheet 1 to allow the students to identify the functions of management.
- Use Activity Sheet 1 to explain the functions of management.

Objective 8

- Use Assignment Sheet 2 to match the planning tools to their correct function.
- Use Activity Sheet 2 to plan an organizational chart.

Objective 9

- Use Assignment Sheet 3 to complete a decision-making worksheet.
- Use Activity Sheet 3 to recognize manager's skills.

EVALUATION

Pretest

- Pretest students.
- Determine individual study requirements from pretest results.
- Counsel students individually on pretest results and study requirements.
- Modify materials in unit or create supplementary materials for individual students as required.

Written Test

- Explain to students that on the written test they will be asked to demonstrate the actions listed in the specific objectives.

- Give the written test.

  NOTE: The written test may be given in sections if desired.

- Evaluate students on assignment sheet activities if not previously done.
- Reteach and retest if necessary.
- Complete appropriate section of competency profiles.
- Review individual and group performance in order to evaluate teaching methods. Adjust scope, sequence or instructional approaches for additional lessons as required.

SUGGESTED RESOURCES

Media

- *Careers in Administration and Management*
- *Successful Supervision*

NOTE: These videos are available to Oklahoma teachers on a free-loan basis. Oklahoma teachers may order these videos from the Media Resource Center, Oklahoma Department of Vocational and Technical Education, 1500 W. Seventh Avenue, Stillwater, OK 74074.

Publications

- *Building Basic Management Skills Instructor's Guide*

  NOTE: This publication may be ordered from the U.S. Small Business Administration, Office of Business Development, 1441 L. Street, Room 317, Washington, D.C. 20416.

- *Program for Acquiring Competence in Entrepreneurship*

  NOTE: This publication may be ordered from The National Center for Research in Vocational Education, The Ohio State University, 1960 Kenny Road, Columbus, Ohio 43210.

Unit References

- *Building Basic Management Skills.* Washington, D.C.: U.S. Small Business Administration, 1986.

- *Business Management and Ownership*. Stillwater, Oklahoma: Curriculum and Instructional Materials Center, Oklahoma Department of Vocational and Technical Education, 1982.
- Everard, Kenneth E., and Jim Burrow. *Business Principles and Management*, Cincinnati, Ohio: South-Western Publishing Company, 1984.
- Hubbard, Raymond T. and William D. Hailes, Jr. *Small Business Management*. Cincinnati, Ohio: Southwestern Publishing Company, 1987.
- *Program for Acquiring Competence in Entrepreneurship*. Columbus, Ohio: The National Center for Research in Vocational Education, 1983.

PRETEST ANSWERS | RECOGNIZING MANAGEMENT SKILLS XII

OBJECTIVE 1

1. e
2. a
3. b
4. d
5. c

OBJECTIVE 2

1. E
2. S
3. E
4. S
5. S
6. S

OBJECTIVE 3

1, 3, 4

OBJECTIVE 4

1. c
2. g
3. d
4. h
5. a
6. i

OBJECTIVE 5

1. Responsibilities
2. Authority
3 Accountability
4. Span-of-control

OBJECTIVE 6

Any three of the following:

- Identify the problem.
- Gather information.
- List the possible solutions from every point of view.
- Evaluate objectively the probable results of each solution.
- Decide on the best solution.

OBJECTIVE 7 THROUGH 9

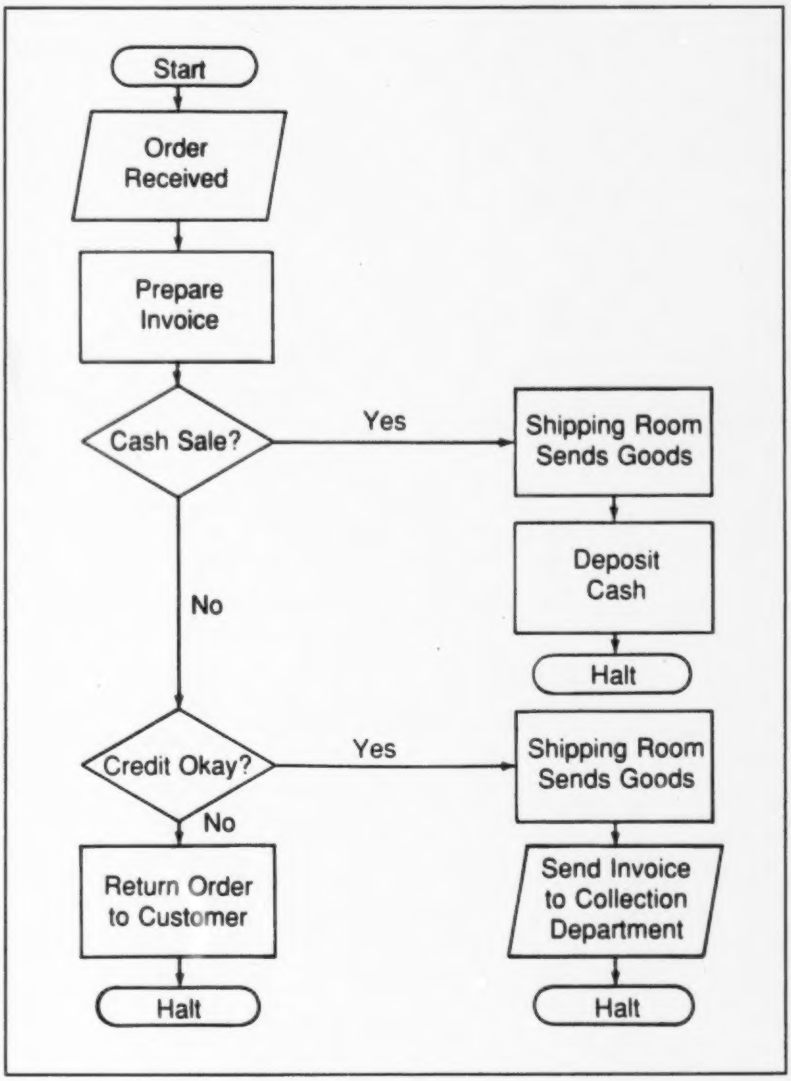
Refer to answers to Assignment Sheets 1-3.

HANDOUT 1

RECOGNIZING MANAGEMENT SKILLS

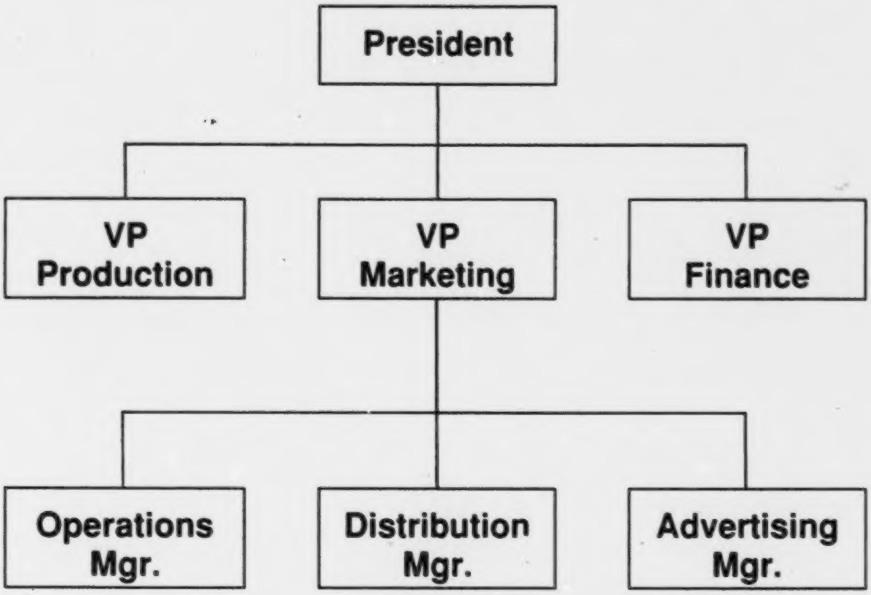
XII

POLICIES AND PROCEDURES


Start
Order Received
Prepare Invoice
Cash Sale?
Yes
Shipping Room Sends Goods
Deposit Cash
Halt
No
Credit Okay?
Yes
Shipping Room Sends Goods
No
Return Order to Customer
Send Invoice to Collection Department
Halt
Halt

Used with permission of South-Western Publishing.

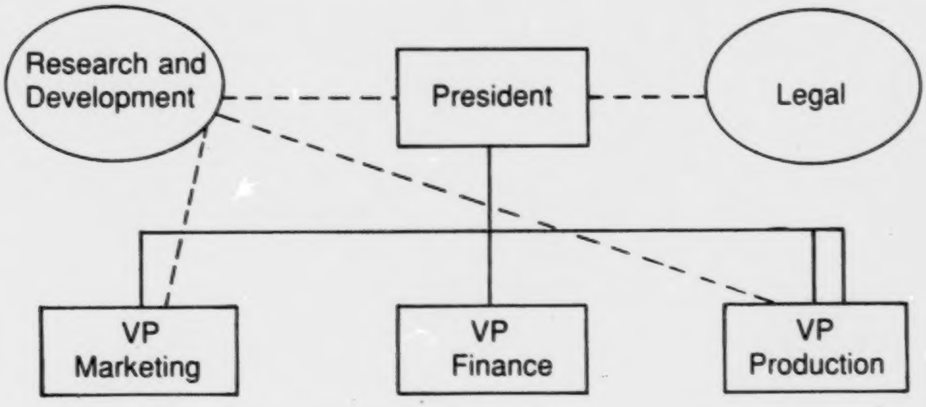
LINE ORGANIZATION


President
VP Production
VP Marketing
VP Finance
Operations Mgr.
Distribution Mgr.
Advertising Mgr.

1. Each employee has only one "boss."
2. No one has power control.
3. Work is delegated.
4. Direct lines of communications exist.

From *Program for Acquiring Competence in Entrepreneurship* used with permission of The National Center for Research in Vocational Education, Ohio State University.

LINE AND STAFF ORGANIZATION


Research and Development
President
Legal
VP Marketing
VP Finance
VP Production

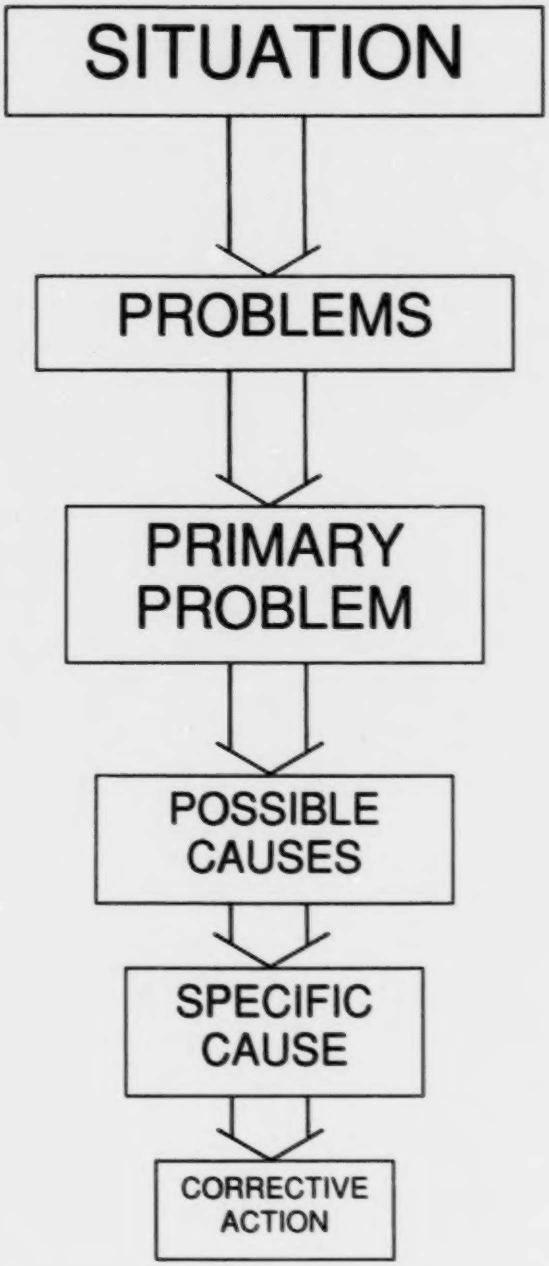
Staff advisers are indicated by dotted lines

1. Advisers have no authority over employees

2. Advisers viewed as "auxiliary experts"

From *Program for Acquiring Competence in Entrepreneurship* used with permission of The National Center for Research in Vocational Education, Ohio State University.

PROBLEM ANALYSIS


SITUATION
PROBLEMS
PRIMARY PROBLEM
POSSIBLE CAUSES
SPECIFIC CAUSE
CORRECTIVE ACTION

PRETEST

RECOGNIZING MANAGEMENT SKILLS XII

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match items associated with principles of management to their correct definitions. Write the correct letters in the blanks.

______1. Overall mission of the company	a. Supervisor
	b. Standard
______2. First level of management; spends most of the time dealing with daily operations and problems	c. Authority
	d. Executive
______3. System or measure by which a task is evaluated	e. Goal
______4. Manager above the supervisory level who is responsible for broad company planning	
______5. Right to make decisions with regard to employees' duty assignments and methods of accomplishing work in order to achieve the goals of the company	

OBJECTIVES 2

Distinguish between the levels of management. Write an **E** beside the sentences that describe executive, or top-level managers, and an **S** beside the sentences that describe supervisory or lower-level management.

______1. Plans and organizes for long-range company goals.

______2. Spends the most time dealing with daily operations and directing other employees.

______3. Spend most of their time planning policies, finances, and public relations.

______4. Time is spent finding good employees.

6.0

______5. Maintains quality control.

______6. Keeps equipment operational.

OBJECTIVE 3

Select from the following list statements about the functions of management. Write an "X" in the blank before each correct answer.

______1. Planning involves forecasting or looking ahead.

______2. Organizing has to do with telling employees what to do.

______3. A manager who helps employees complete their work is directing.

______4. Controlling is designed to guide a business to achieve its goals.

OBJECTIVE 4

Match planning tools used by managers to their correct descriptions. Write the correct letters in the blanks.

______1. Essential in determining the wisest use of finances in order to meet the goals of the company

______2. A time plan for reaching goals

______3. A system or measure by which a task is evaluated

______4. General rules or guidelines

______5. Orderly lists of steps to be followed to perform certain work

______6. Gathering of data needed to formulate budgets, improve schedules and establish standards

a. Procedures

b. Authority

c. Budgets

d. Standard

e. Supervision

f. Executive decision

g. Schedule

h. Policies

i. Research

OBJECTIVE 5

Complete statements about the characteristics of a good organization. Write the correct words in the blanks.

1. ____________ are assigned so that each worker knows exactly the tasks he/she is to perform.
2. ____________ is delegated and gives the right to make decisions with regard to assignments and methods.
3. ____________ is being responsible to a higher authority for the quality of work done.
4. ____________ refers to the number of employees for which a supervisor is directly responsible.

OBJECTIVE 6

Name three steps in decision-making.

1. ____
2. ____
3. ____

NOTICE

In addition to the pretest items, the student will be required to demonstrate mastery of the following objectives:

OBJECTIVE 7

Distinguish between the functions of management. SCORE ______

OBJECTIVE 8

Locate the tools used in the planning function. SCORE ______

OBJECTIVE 9

Solve a management case study. SCORE ______

INFORMATION SHEET

RECOGNIZING MANAGEMENT SKILLS *XII*

OBJECTIVE 1 **Match terms associated with principles of management to their correct definitions.**

- **Accountability** — Being responsible to a higher authority for the quality of work done
- **Authority** — Right to make decisions with regard to employees' duty assignments and methods of accomplishing work in order to achieve the goals of the company
- **Executive** — Manager above the supervisory level who is responsible for broad company planning
- **Goal** — Overall mission of the company
- **Management** — Process of using resources (land, labor and capital) in order to meet the goals of the company
- **Objective** — Activity toward which work is directed; a step toward achieving a goal
- **Organizational chart** — Visual aid illustrating the structure of a business
- **Span-of-control** — Number of employees for which a supervisor has direct responsibility
- **Standard** — System or measure by which a task is evaluated
- **Subordinate** — Person (employee) who is subject to the authority of a manager
- **Supervisor** — First level of management; spends most of the time dealing with daily operations and problems

OBJECTIVE 2 **Distinguish between the levels of management.**

A manager is responsible for the work of other people and spends most of the time completing the functions of management. To be considered a manager, an employee must perform the four functions of management: planning, organizing, directing and controlling. However, equal amounts of time are not spent on each of the four functions.

- Top-level managers, or executives, spend most of their time planning and organizing for long-range company policies. Seventy-five to ninety percent of an executive's time is devoted to planning policies, finances, public relations and other comparable operations.

- Low-level managers, or supervisors, spend most of their time dealing with daily operations and directing other employees. Eighty to ninety-five of a supervisor's time is devoted to such things as finding good employees, keeping equipment operational, operating within a budget, and maintaining quality control.

OBJECTIVE 3 **Select from a list statements about the functions of management.**

A manager's success depends on how well decision-making skills are applied to planning, organizing, directing, and controlling business activities. Good management is the key to business success.

- **Planning** — Involves forecasting or looking ahead, making decisions, and setting goals

  NOTE: Goals may be as simple as changing the company's logo, or as difficult as opening new businesses around the nation.

- **Organizing** — Deals with the time spent in structuring relationships between people, the work to be done and the resources available in order to achieve the goals of the company

- **Directing** — Supervising, assisting, and motivating the efforts of the employees

- **Controlling** — Includes:

  — Establishing standards (the planning process)

  — Comparing performances against these standards

  — Taking corrective action if needed

  — Guiding a business to achieve its goals

OBJECTIVE 4

Match planning tools used by managers to their correct descriptions.

Tools which help managers plan include budgets, schedules, standards, policies, procedures and research.

- **Budgets** — Essential in determining the wisest use of finances

  NOTE: BUDGETS are the most popular tools.

- **Schedule** — A time plan for reaching goals and objectives.

  NOTE: Employee work schedules for a day or week may be developed by the employee's supervisor. Production managers use schedules to plan the completion and shipment of orders. Salespeople find a schedule essential in deciding which customers they will contact each day.

- **Standard** — A system or measure by which a task is evaluated.

  NOTE: There are different types of standards, some of which are used to control and others to plan. The quality of work completed is insured by the set standards. Managers set standards and use those standards to judge performance, as well as to revise standards when necessary.

- **Policies** — General rules or guidelines

  EXAMPLES: Guidelines for clocking in/out, broad policy covering probation period of employment or the evaluation of each employee on a specific time table

- **Procedures** — Orderly lists of steps to be followed to perform certain work

  NOTE: Procedures are very helpful in improving efficiency and assisting employees to learn a new job. Many times, flowcharts are used to illustrate procedures.

- **Research** — Gathering the data needed to formulate budgets, improve schedules and establish standards

OBJECTIVE 5

Complete statements about the characteristics of a good organization.

The function of a good organization is defined by several basic characteristics.

- **Responsibility** is assigned so that each worker knows exactly the tasks they are to perform.
- **Authority** is delegated and gives the person in charge the right to make decisions with regard to employee's duty assignments and the methods of accomplishing that work. Employees should have sufficient authority to carry out those responsibilities that have been delegated to them. The delegation of authority occurs from the top of the organization down through the lowest levels. A failure to organize will lead to confusion about the duties, responsibilities, and authority and can create misunderstandings among the employees.
- **Accountability** is being responsible to a higher authority for the quality of work done. Each individual is accountable to a superior for the performance and quality of work.
- **Span-of-control** refers to the number of employees for which a supervisor is directly responsible. The supervision of too many workers may result in overwork and ineffectiveness. The supervision of too few results in a waste of time.

OBJECTIVE 6

List steps in the decision-making process.

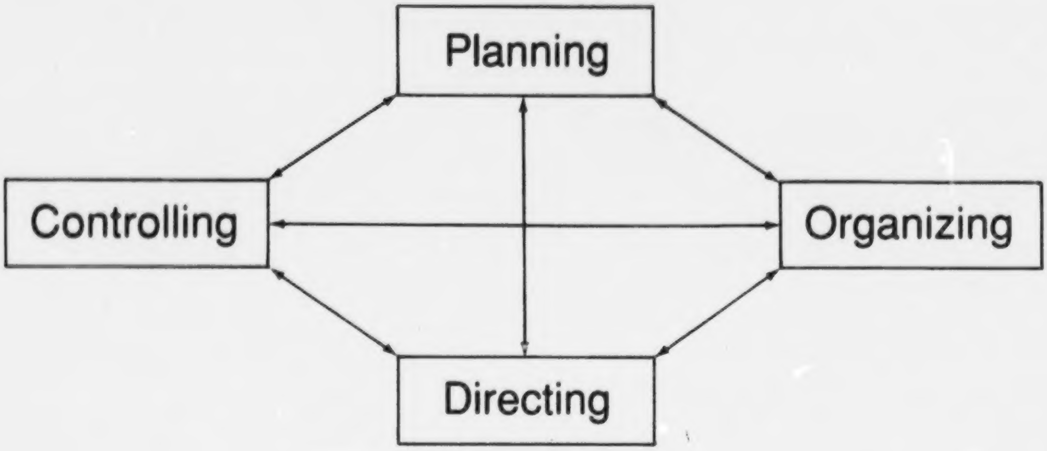
A problem is a source of difficulty that requires a solution. Generally, there is a series of possible solutions — some good, some bad. To find the best solution, the following steps should be taken.

1. Identify the problem.
2. Gather information.
3. List the possible solutions from every point of view.
4. Evaluate objectively the probable results of each solution.
5. Decide on the best solution.

The solution that is chosen should be in line with the company's goals and be acceptable to all levels of management. It should solve the problem at hand and should function well when put into place, as well as being feasible as far as costs are concerned.

TM 1

The Four Functions of Management


Planning

Controlling

Organizing

Directing

Used with permission of South-Western Publishing

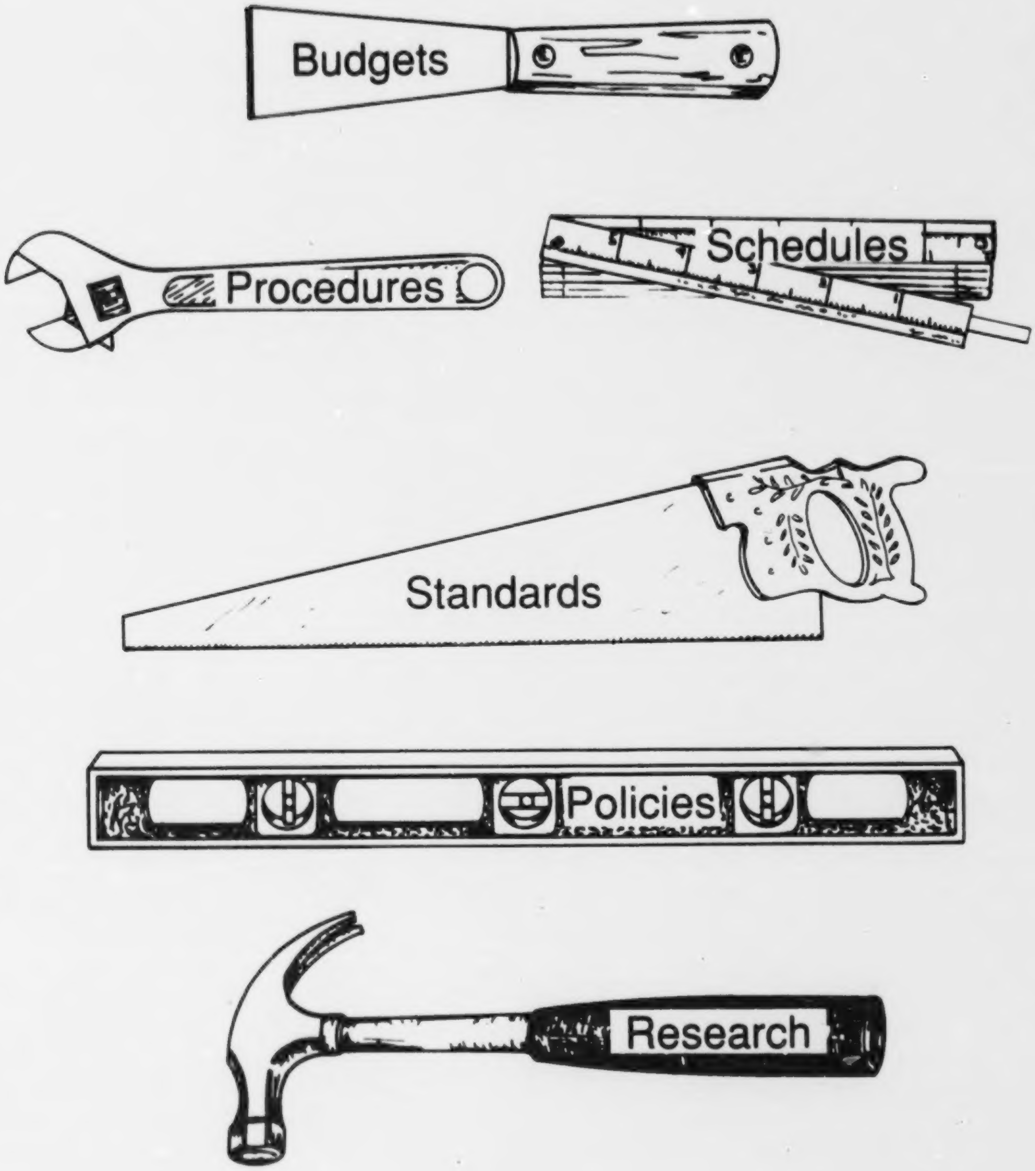
Communication Strategy

- Do you decide what the message is before you begin to deliver it?
- Do you decide what medium would communicate the message most effectively to your employees?
- Do you take into account the values and backgrounds of your employees and phrase the message so they will understand it?
- Are you aware of the mental and physical state of employees when you communicate?
- Do you think through the timing, sequence of thought, locale, and style of the message?
- Do you ask questions to make sure employees understand the communication?
- Do you follow up on whatever action you indicated in the communication?

If you do all these things when you communicate important messages, you are an effective communicator. If not, the above guidelines will assist you next time you need to give a message to your employees.

From *Program for Acquiring Competence in Entrepreneurship* used with permission of The National Center for Research in Vocational Education, Ohio State University

Planning Tools Used by Management



Budgets

Procedures

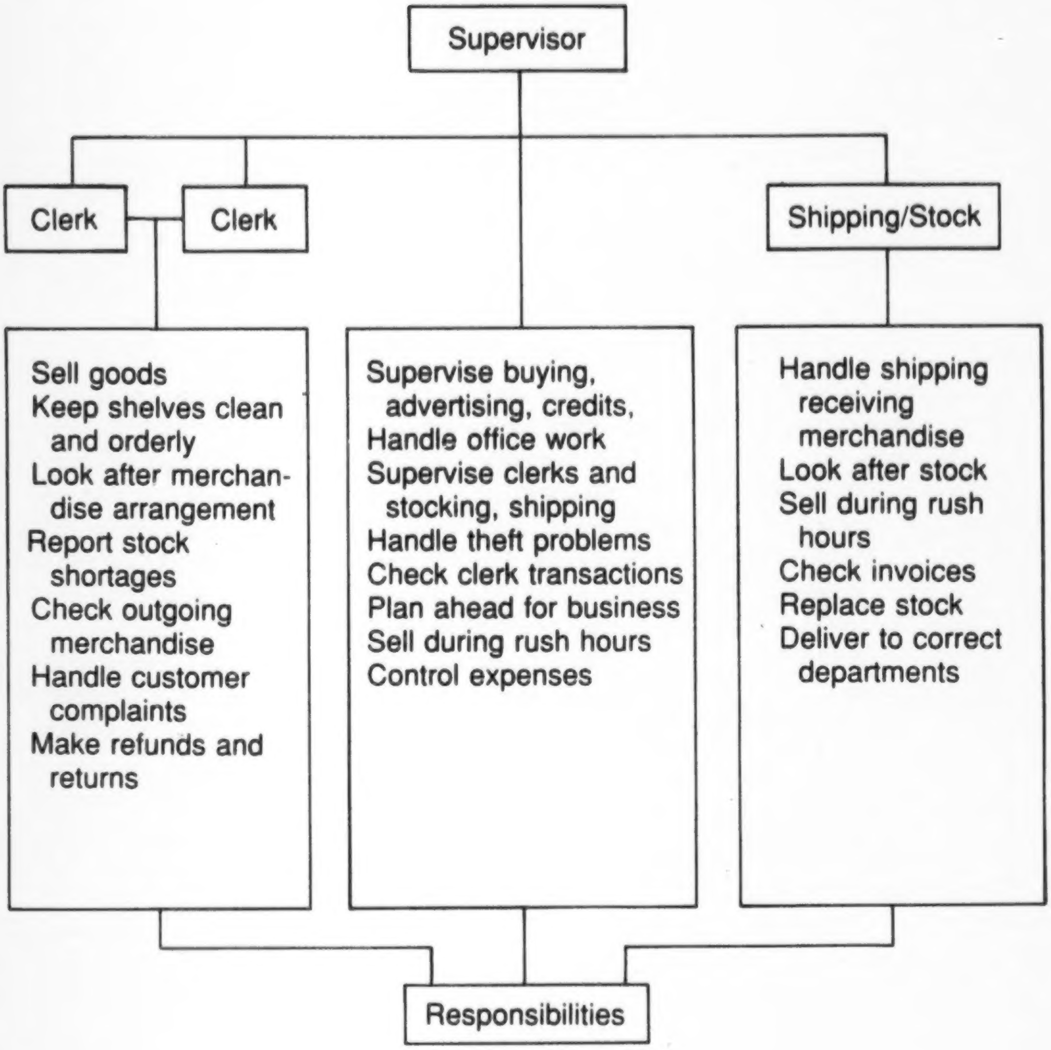
Schedules

Standards

Policies

Research

Internal Organization



- Sell goods
- Keep shelves clean and orderly
- Look after merchandise arrangement
- Report stock shortages
- Check outgoing merchandise
- Handle customer complaints
- Make refunds and returns

- Supervise buying, advertising, credits,
- Handle office work
- Supervise clerks and stocking, shipping
- Handle theft problems
- Check clerk transactions
- Plan ahead for business
- Sell during rush hours
- Control expenses

- Handle shipping receiving merchandise
- Look after stock
- Sell during rush hours
- Check invoices
- Replace stock
- Deliver to correct departments

ACTIVITY SHEET 1

RECOGNIZING MANAGEMENT SKILLS

XII

NAME ____________________

Functions of Management

DIRECTIONS

Divide into groups. Using the four functions of management—planning, organizing, directing, and controlling—plan a skit to role play managers using these functions. Members of the other groups will identify the functions presented by your group as they are performed.

NOTE: For ideas about situations to role play, use those given on Assignment Sheet 1.

Oral Presentation Skills
- Make persuasive presentations
- Use good speaking techniques
- Select and use words effectively

Interactive Communication Skills
- Give/follow oral directions
- Work effectively in a group

General Relating Skills
- Applying information to life experiences

Teamwork/Cooperative Skills
- Give/receive feedback
- Generate ideas

ACTIVITY SHEET 2

RECOGNIZING MANAGEMENT SKILLS

Designing an Organizational Chart.

DIRECTIONS

Composition Skills
- Construct graphics and symbols

Read the paragraph below, then design an organizational chart for Deb's Wear.

Deb's Wear is a ladies-wear business that employs eight people; two assistant managers, four sales-clerks and two stockers. An assistant manager, two clerks and one stocker should work each shift. Design a chart which will show the positions of managers and workers and the line of authority.

ACTIVITY SHEET 3

RECOGNIZING MANAGEMENT SKILLS

XII

NAME ______________________________

Recognizing Management Skills.

Clip five articles from newspapers or magazines that pertain to management skills. These articles can be examples of either good or poor management practices, i.e., company receives award for hiring practices, or company goes bankrupt. Discuss the articles with the class, explaining your point of view as to good or bad management practices, and why you feel that way.

List below the headlines of the stories.

1. ______________________________

2. ______________________________

3. ______________________________

4. ______________________________

5. ______________________________

Research and Reference Skills
- Use magazines and newspapers

Oral Presentation Skills
- Make informative presentations
- Present personal opinion/viewpoint

Cognitive Activities Skills
- Analyze/synthesize information
- Create a finished product

Functional Social Studies Skills
- Select/use sources of information on current events
- Analyze current events

ASSIGNMENT SHEET 1 — RECOGNIZING MANAGEMENT SKILLS XII

NAME ______________________________ SCORE ________

OBJECTIVE 7

Distinguish between the functions of management. (Activity Sheet 1)

INTRODUCTION

Managers perform four basic functions: planning, organizing, directing, and controlling. In this exercise you will examine several tasks which might be performed by managers in their normal course of work.

DIRECTIONS

Decide which of the four functions of management is being illustrated, and write the appropriate function in the space provided.

Reading Comprehension Skills
- React to written material

Functional Reading Skills
- Use content area vocabulary

______A. Purchase a new cash register for the camera department

______B. Ask for employee recommendation on which uniform front-end workers should wear, making employees feel they are part of the organization

______C. Compare sales figures for this week with the same week last year

______D. Prepare a budget for the next calendar year

______E. List employees' hours and jobs for the next work week

______F. Compute stock turnover rate for the stationery department

______G. Prepare a training manual for new sales employees

______H. Hold a meeting with employees to discuss a new stock-sharing program

______I. Rearrange the sales floor to allow for a center-aisle merchandising area

______J. Conduct an employee training session on shrinkage and loss prevention

______K. Develop the store image and logo for a new store

______L. Analyze the sales cost per customer for each employee

______M. Counsel an employee on following the dress code as established in the employee handbook

______N. Hire six new part-time employees to help during the Christmas rush period

______O. Develop a new system for inventory control

ASSIGNMENT SHEET 2

RECOGNIZING MANAGEMENT SKILLS

NAME ______________________ SCORE ______

OBJECTIVE 8

Locate the tools used in the planning function. (Activity Sheet 2)

DIRECTIONS

In the space provided, place the letter of the planning tool which most accurately describes the definition. (Planning tools may be used more than once as an answer.)

Reading Comprehension Skills
- React to written material

Functional Reading Skills
- Use content area vocabulary

______1. A financial plan

______2. Orderly list of steps to be followed for performing certain work

______3. A time plan for reaching goals

______4. Information or data needed to develop budgets

______5. General rules or guidelines

______6. System by which a task is evaluated

______7. General rules followed by the entire business

______8. Helpful in assisting employees to learn a new job

______9. Information needed to develop and improve schedules

______10. Assures the quality of work

a. Budget

b. Schedule

c. Policies

d. Standard

e. Research

f. Procedures

ASSIGNMENT SHEET 3

RECOGNIZING MANAGEMENT SKILLS XII

NAME ____________________ SCORE ______

OBJECTIVE 9 **Solve a management case study.** (Activity Sheet 3)

Reading Comprehension Skills
- React to written material -

Language Skills
- State ideas clearly

Leadership/Influencing Skills
- Analyze/apply management styles

Cognitive Activities Skills
- Define a problem
- Evaluate alternatives
- Devise a solution

Managers make many decisions during the course of a normal working day. In this assignment, you will be asked to read a case study and to decide how you would react if you were actually a part of the situation. Read the situation given below and answer the five questions that follow. Use the steps in the decision-making process.

PART I Read the case study.

Terry Smith has worked as a front-end cashier in a department store for about one year. He knows that the company plans to open several branch stores soon, and he wants to be considered for promotion to front-end supervisor in one of the new stores. One day his supervisor told Terry that he (the supervisor) was planning to go on vacation and asked Terry to assume full responsibility for the front end while he was gone. Terry readily agreed; and the store manager approved Terry as acting front-end manager.

While working as front-end manager, Terry frequently was required to consult a bad-check list, and to approve only those checks that met store policy; completely filled out in ink; drawee bank not more than 50 miles away from the store; written and number amounts agree; written for amount of purchase only; and two forms of identification to verify signature.

Terry felt that this approval practice took too much time and therefore began to approve all checks that were presented by customers without checking any standards. He reasoned that the cashiers were ultimately responsible for the handling of all checks and money and that the cashier would, no doubt, check all information required to cash a check.

Upon arrival back at work, the full-time front-end supervisor was approached by the store manager and was told that the store was experiencing an unusual number of returned checks.

PART II

How would you react if you were the front-end supervisor?

A. Identify the real problem.

B. Gather information. (List and organize information that might have a bearing on the problem.)

C. List possible solutions. (Look at every possible point of view.)

D. Evaluate probable results of each solution.

E. Decide on the best solution. (Why did you choose this solution?)

ASSIGNMENT SHEET 1

A. Organizing
B. Directing
C. Controlling
D. Planning
E. Organizing
F. Controlling
G. Planning
H. Directing
I. Organizing
J. Directing
K. Planning
L. Controlling
M. Directing
N. Directing
O. Organizing

ASSIGNMENT SHEET 2

1. a
2. f
3. b
4. e
5. c
6. d
7. c
8. f
9. e
10. d

ASSIGNMENT SHEET 3

To be evaluated to the satisfaction of the instructor.

NOTE: The following are suggested solutions.

A. Terry was appointed to serve as front-end supervisor without adequate training.

B.
  1. Terry only had one year of experience.
  2. He had not been given any training in the supervisor's specific duties.
  3. He apparently did not understand the reasons behind the store's check-cashing policy.
  4. He assumed the cashiers would verify the checks.
  5. The store lost money, apparently because Terry did not follow established procedure.

C.
  1. Train someone to act as front-end supervisor whenever necessary.
  2. Re-train cashiers in the necessity of check-cashing controls.

3. Talk with Terry about the number of returned checks and explain the importance of following company policies.

4. Have the store manager work more closely with temporary supervisory personnel.

D. 1. There would always be someone trained to take over the supervisory position. It would cost for training, but could save money in the long run.

2. Cashiers would take more precautions when dealing with checks. This would cost the company time in training, but it may pay for itself by having fewer checks returned.

3. Terry would see the problem, however, after the fact. He might feel bad and lose some of his enthusiasm for work. He may improve efficiency.

4. Temporary supervisors' errors would be noticed quicker, but it would take the store manager away from his/her normal duties.

E. Combination of 1 and 3 listed in part C, above.

WRITTEN TEST

RECOGNIZING MANAGEMENT SKILLS

XII

NAME ______________________________ SCORE ________

OBJECTIVE 1

Match terms associated with principles of management to their correct definitions. Write the correct letters in the blanks.

______1. Manager above the supervisory level who is responsible for broad company planning

______2. Right to make decisions with regard to employees' duty assignments and methods of accomplishing work in order to achieve the goals of the company

______3. Being responsible to a higher authority for the quality of work done

______4. Overall mission of a company

______5. First level of management; spends most of the time dealing with daily operations and problems

______6. Person (employee) who is subject to the authority of a manager

______7. Number of employees for which a supervisor has direct responsibility

______8. Visual aid illustrating the structure of a business

______9. Activity toward which work is directed; a step toward achieving a goal

______10. Process of using resources (land, labor and capital) in order to meet the goals of the company

a. Supervisor

b. Accountability

c. Subordinate

d. Authority

e. Executive

f. Chief Executive Officer

g. Organization chart

h. Management

i. Span-of-control

j. Objective

k. Communicate

l. Standard

m. Flowchart

n. Goal

OBJECTIVE 2

Distinguish between the levels of management. Write an **E** beside the sentences that describe executive, or top-level managers, and an **S** beside the sentences that describe supervisory or lower-level management.

______1. Planning and organization for long-range company policies

______2. Maintaining quality controls

______3. Operating within a budget

______4. Planning public relations and finances

______5. Finding good employees

OBJECTIVE 3

Select from the following list statements about the functions of management. Write an "X" in the blank before each correct answer.

______1. Planning involves forecasting or looking ahead, making decisions, and setting goals.

______2. Goals of a company must always be long-term, never short-term.

______3. Obtaining and arranging resources so work can be accomplished falls with the directing function.

______4. Organizing is involved with the manager's time spent in structuring relationships between people.

______5. Directing involves supervising, assisting, and motivating the efforts of the employees.

______6. Organizing is designed to guide a business to achieve its goals.

______7. The manager is responsible for "controlling" — getting and keeping a company on track to its chosen objectives.

______8. The control process involves three basic activities: establishing standards, comparing performance, taking corrective action.

OBJECTIVE 4

Match planning tools used by managers to their correct descriptions. Write the correct letters in the blanks.

______1. Essential in determining the wisest use of finances

______2. A time plan for reaching goals and objectives

______3. A general rule or guideline

______4. An orderly list of steps to be followed for performing certain work

______5. Gathering the data needed to formulate budgets, improve schedules and establish standards

a. Standard

b. Schedule

c. Procedures

d. Budgets

e. Research

f. Policies

OBJECTIVE 5

Complete statements about the characteristics of a good organization. The following situations describe the characteristics of a good organization. Name the characteristics that the situations present.

A. Mrs. Cowan is responsible for supervising the clerks, Susan and Jodi, and the stocker, Roy. This characteristic is the

________________ of ____________________.

B. Susan, Jodi and Roy are responsible to Mrs. Cowan for the quality of work that they do. This is known as

______________________.

C. Mrs. Cowan has the ______________________ to delegate duty assignments to those under her supervision. The delegation of ___________________ occurs from the top of the organization down through the lowest levels.

D. The ____________________ of Mrs. Cowan, Susan, Jodi and Roy, are the tasks they are to perform.

OBJECTIVE 6 **List steps in the decision-making process.**

1. ____
2. ____
3. ____
4. ____
5. ____

NOTICE The following assignment sheets are not a part of the written test. If these activities have not been completed, check with the instructor.

OBJECTIVE 7 **Distinguish between the functions of management.** SCORE ______

OBJECTIVE 8 **Locate the tools used in the planning function.** SCORE ______

OBJECTIVE 9 **Solve a management case study.** SCORE ______

WRITTEN TEST ANSWERS

RECOGNIZING MANAGEMENT SKILLS XII

OBJECTIVE 1

1. e
2. d
3. b
4. n
5. a
6. c
7. i
8. g
9. j
10. h

OBJECTIVE 2

1. E
2. S
3. S
4. E
5. S

OBJECTIVE 3

1, 4, 5, 6, 7, 8

OBJECTIVE 4

1. d
2. b
3. f
4. c
5. e

OBJECTIVE 5

A. Span-of-control
B. Accountability
C. Authority, authority
D. Responsibilities

OBJECTIVE 6

1. Identify the problem.
2. Gather information.
3. List the possible solutions from every point of view.
4. Evaluate objectively the probable results of each solution.
5. Decide on the best solution.

OBJECTIVE 7 THROUGH 9

Refer to answers to Assignment Sheets 1-3.